

CITY OF ALAMO HEIGHTS
CITY COUNCIL
April 29, 2024

A special 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 29, 2024. 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 Blake M. Bonner
Councilmember Lawson Jessee
Councilmember Karl P. Baker
Councilmember Lynda Billa Burke
Councilmember John Savage

Also attending were:
City Manager Buddy Kuhn
Assistant City Manager Phil Laney
City Attorney Jessie Lopez
Director of Finance Robert Galindo
Assistant to City Manager Jennifer Reyna
City Secretary Elsa T. Robles
Community Development Services Director Lety Hernandez
Fire Chief Michael Gdovin
Deputy Police Chief Cindy Pruitt

Not attending:
Police Chief Rick Pruitt

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Mayor Bobby Rosenthal opened the meeting at 5:35 p.m.

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Item # 1 Approval of Minutes

Mayor Rosenthal asked the City Council for a motion on the April 09, 2024 Special City Council Meeting minutes. Councilmember Lawson Jessee moved to approve the minutes as presented. The motion was seconded by Councilmember Lynda Billa Burke and passed by unanimous vote.

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Item # 2 Announcements

Mayor Rosenthal read the following caption.

a. Recognition of Willie A. Watkins for his dedication of 21 years to the City of Alamo Heights Public Works Department

City Manager Buddy Kuhn recognized retiring COAH Equipment Operator Willie Watkins. Mr. Watkins served the city for almost 21 years as a Garbage Truck Driver with a stellar record and no documented accidents. Mr. Kuhn stated he will be missed by citizens and colleagues.

Mayor Rosenthal agreed and read a letter from a resident expressing her appreciation for Mr. Watkins. Mayor Pro Tem Blake M. Bonner also shared his gratitude for Mr. Watkins' years of service to the community. Mayor Rosenthal read and presented a proclamation in recognition to Mrs. Rhonda Watkins who accepted it on behalf of her husband.

b. Election Day Polling Site for May 4, 2024 General Election

Ms. Robles announced the City of Alamo Heights (COAH) will be a Bexar County polling site for the May 4, 2024, General Election. She noted the city did not have any elections this year, but advised anyone in Bexar County could cast their vote in the Council Chamber on May 4th from 7:00AM – 7:00PM.

c. May City Council Meeting Rescheduled

City Secretary Elsa T. Robles announced the rescheduling of the second City Council meeting in May. The meeting falls on May 27th, Memorial Day, and will be rescheduled to Tuesday, May 28th at 5:30 p.m.

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 there were 125 registered participants this year. The collaborated event raised \$2,855 for AH Animal Care Services. Ms. Reyna took the opportunity to thank staff, volunteers, and co-sponsors.

Mayor Rosenthal thanked Ms. Reyna for always doing an excellent job organizing the annual event.

e. National Fallen Firefighters Memorial Weekend, May 1-5, 2024

Fire Chief Michael Gdovin announced the National Fallen Firefighters Memorial Weekend will take place May 1-5th. 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 226 fallen fire service heroes). The multi-night event begins on May 4th in honor of International Firefighters Day - and will keep lights lit through the evening of May 5th. City facilities will also switch to red lighting in recognition of Light the Night for Fallen Firefighters.

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Item # 3 Citizens to be Heard

No comments made.

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Mayor Rosenthal requested to hear Item # 5 first.

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Items for Individual Consideration

Item # 5 Mayor Rosenthal read the following caption.

ORDINANCE NO. 2220

AN ORDINANCE OF THE CITY OF ALAMO HEIGHTS, TEXAS, REPEALING THE APPLICATION OF THE EXEMPTION FROM LOCAL SALES AND USE TAXES ON RECEIPTS FROM THE SALE OF TELECOMMUNICATION SERVICES ON SALES WITHIN VIA METROPOLITAN TRANSIT AUTHORITY'S ENTITY AREA OF TELECOMMUNICATIONS SERVICES AND APPROVES VIA'S INTENT TO IMPOSE SUCH A TAX ON TELECOMMUNICATION SERVICES, AS PROVIDED IN SECTION 322.109 OF THE TEXAS TAX CODE; PROVIDING FOR NOTIFICATION TO THE COMPTROLLER OF THE STATE OF TEXAS; PROVIDING FOR REPEALING, SAVINGS AND SEVERABILITY CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE.

City Manager Buddy Kuhn stated VIA Metropolitan Transit had approached the City of Alamo Heights and other suburban cities within Bexar County concerning taxation on telecommunication service providers. Section 322.109 of the Texas Tax Code exempts VIA from imposing taxes on telecommunications service companies unless repealed by the governing body of the municipality.

Mr. Kuhn shared the City of Alamo Heights (COAH) and other suburban cities originally helped create VIA Metropolitan. If an ordinance is passed by a certain number of local governments, then VIA can petition the City of San Antonio (COSA) and the State Comptrollers' office to begin assessing taxes of telecom companies. He added, under section 322.109(d) of the Texas Tax Code, the governing board of a taxing entity created under Chapter 451, Transportation Code (VIA) may not repeal the application for exemption of taxes unless approved by majority of the members of a governing body.

Mr. Kuhn advised he, the City Attorney, and Mayor Rosenthal met with VIA Metropolitan and the City Attorney reviewed and prepared the final ordinance for City Council to consider. He noted there is no fiscal impact to the city. If approved, the ordinance does not affect the COAH's ability to continue to collect taxes from telecommunication service providers that provide these services in the community.

Mr. Kuhn introduced VIA Chief Government and External Affairs Officer Tom Marks. Mr. Marks stated VIA was created by a vote of Bexar County. He explained, at that time there were fewer municipalities than there are now. In 1987 the telecom companies petitioned the State of Texas to exempt themselves from the collection of telecom taxes. He noted VIA collects half cent taxes for every other service or industry on sales taxes but cannot collect on the telecom tax unless the seven original founding cities along with COSA, repeal it. Only then will the comptroller collect from the telecom companies. The tax would be approximately \$0.50 per \$100.00. Mr. Marks added the cities of Leon Valley and Shavano Park have passed an ordinance to repeal. The cities of Olmos Park, Balcones Heights, Terrell Hills, and Castle Hills are considering the request in the next few weeks.

The City Council asked Mr. Marks why this was being pursued now. Mr. Marks replied this was due to lost revenue and collecting the additional funds would allow them to provide better services to the cities VIA serves. He reiterated the entire county had already approved this in 1977 and the comptroller was collecting the tax for 10 years until telecom companies went to the Legislature and had the exemption created. Mr. Marks stated at this time they are seeking administrative action everywhere to reinstate the tax. All the cities must vote to approve it.

After a brief discussion, Councilmember Jessee moved to approve Ordinance No. 2220 as presented. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote.

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Mayor Rosenthal requested to continue with Item # 4.

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Item # 4 Mayor Rosenthal read the following caption.

Architectural Review Board Case No. 914F, request of Lisa Nichols of Nic Abbey Homes, owner, for the significance review of the existing main structure located at 231 Encino Ave. in order to demolish 100% of the existing single-family residence

Community Development Services Department Director Lety Hernandez stated the Single-Family A property is located on the east side between Mayflower St. and Mary D Ave. The applicant requests approval for a significance review of the existing main structure to demolish 100%.

Ms. Hernandez stated a significance review was required due to the removal/encapsulation of more than twenty-five (25) percent of the framed structure of exterior walls facing public streets, or a street-facing elevation if the tract of land is landlocked and due to the removal/encapsulation of more than fifty (50) percent of the framed structure of all exterior walls and/or roofs.

Ms. Hernandez provided background information regarding the case. On January 16, 2024, the Architectural Review Board (ARB) voted unanimously to declare the main structure as significant and recommended denial of the demolition as requested. On February 12, 2024, the

City Council voted to enact the first 90-day delay, due to expire on May 12, 2024 and must reconsideration prior to the expiration of the current delay.

Ms. Hernandez presented the existing survey and conditions. She noted the applicant has actively marketed the property since the initial delay was enacted and stated Council has the authority to enact a second 90-day delay with a maximum not to exceed 180 days from the date of action. They can also approve the demolition as requested if the city is satisfied that there is no reasonable likelihood that either the owner or another person is willing to purchase, preserve, rehabilitate, or restore the main structure, or when additional information warrants a termination of the demolition delay.

Ms. Hernandez stated the initial public notifications were mailed to property owners within a 200-foot radius. Notices were posted on the City's website and on the property. No new responses have been received since the case was first heard in February. At that time, staff received one response in support and eight in opposition. Outside of the 200-foot radius, none were received in support, but eleven were received in opposition, and one response was neutral.

Mr. Frank Burney, attorney representing Ms. Lisa Nichols, stated they voluntarily accepted the 90-day demolition delay as enacted by Council in the best interest of the community. He stated they had heard the neighbors, and the citizens speak in terms of trying to preserve this house. Mr. Burney noted they have been working hard to try to find a solution, but unfortunately have not been able to. Ms. Nichols considered rehabbing and reselling the house, but found it is economically unfeasible. The property is now listed for sale "as is" by Phillis Browning. Mr. Burney stated he could answer any questions Council may have or consider any other ideas they could provide to help move this property.

Mayor Rosenthal asked to hear comments from those that signed up to speak on this item.

- Ms. Claire Alexander, resident, stated if the house is demolished, she hoped the developer would keep the two lots as one and build a single residence instead of two. She added the lots had several oak trees that should be preserved.
- Mr. Jose Gonzalez, resident, asked Council to consider granting additional time for the property to be marketed. He stated he appreciated Ms. Nichols' efforts in working with those who live around this historic house and the Council for working and listening to their concerns.
- Ms. Maggie Houston, resident, stated the house was built by Adams & Adams Architects who are responsible for much of the charm in San Antonio. She did not think the home was being actively marketed and was upset the owner is considering demolishing it instead of remodeling it.
- Ms. Deborah Brodigan, resident, stated she disagreed with demolishing the home and noted the city had adopted an ordinance over 10 years ago that had never been implemented. She urged Council to partner with the Texas Historical Commission to establish historical preservation in the city. She agreed oak trees on the property need to be preserved.

Councilmember Jessee stated the ordinance should be followed because it was established that the house in question is a historical home and architecturally significant. He suggested enacting an additional 60-day demolition delay to allow time for the owner to find a buyer for the home.

Council discussed the possibility of it still being in danger of being demolished after it was sold. The same process would start again with the new owner. Council agreed it was a hard and costly decision. After a brief discussion, Councilmember Jessee moved to approve an additional 60-day demolition delay on ARB Case No. 914F. The motion was seconded by Councilmember John Savage and passed by unanimous vote.

Item # 6 Mayor Rosenthal read the following caption.

RESOLUTION NO. 2024R - 184

A RESOLUTION OF THE CITY OF ALAMO HEIGHTS, TEXAS APPOINTING DR. CHICHI JUNDA WOO, M.D., AS THE HEALTH AUTHORITY FOR ALAMO HEIGHTS, TEXAS FOR EMERGENCY PURPOSES AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT FOR DESIGNATION OF HEALTH AUTHORITY IN ACCORDANCE WITH CHAPTER 121 OF THE TEXAS HEALTH AND SAFETY CODE AND AUTHORIZING THE MAYOR TO EXECUTE A CERTIFICATE OF APPOINTMENT FOR THE LOCAL HEALTH AUTHORITY.

Fire Chief Michael Gdovin stated in an effort to have prompt medical authority in the event of a natural or man-made disaster, the City of Alamo Heights entered into an Interlocal Agreement (ILA) with Dr. Chichi Junda Woo which began on May 26, 2022 and terminates on May 25, 2024. The ILA ensures the City has the resources and support necessary to control events of a man-made or naturally occurring disaster and allows Dr. Woo to impose area or widespread quarantine in the event of a biological, nuclear, natural or other manmade disaster.

A Resolution renewing this interlocal agreement is consistent with prior actions by the City of Alamo Heights and pursuant to Health and Safety Code Chapter 121. It maintains local control and faster resource response and is consistent with other municipalities in Bexar County. There is no fiscal impact, unless Dr. Woo's services are used in accordance with Local Government Code, Chapter 791.011(c) in conjunction with a large-scale event. This action becomes effective upon Council's approval and Mayor's signature.

Fire Chief Gdovin noted if the ILA is not renewed, the city would automatically fall under The Southwest Texas Regional Advisory Council (STRAC) Region 8 and Dr. Lillian M. Ringsdorf, MD

Councilmember Jessee moved to approve Resolution No. 2024R – 184, reappointing Dr. Chichi Junda Woo, M.D., as the health authority for Alamo Heights and authorize the City Manager to execute an interlocal agreement with Bexar County. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote.

Item # 7 Mayor Rosenthal read the following caption.

RESOLUTION NO. 2024R - 185

A RESOLUTION ADOPTING BEXAR COUNTY HAZARD MITIGATION PLAN FOR THE CITY OF ALAMO HEIGHTS AND SETTING AN EFFECTIVE DATE.

Fire Chief Gdovin stated the city is a stakeholder in the Bexar County regional Hazard Mitigation Plan. The Fire Department staff collaborated with stakeholders in the initial development and revision of the current plan. The revised plan received Federal Emergency Management Agency (FEMA) approval in January 2024. The current plan was adopted in 2015 and is funded by Bexar County. He noted the plan goes through periodic updates and department staff respond to emails asking for information and fill out questionnaires to provide their jurisdictions information.

The Hazard Mitigation Plan is required by FEMA and The Texas Division of Emergency Management (TDEM) for eligibility for state and federal funding. Following FEMA approval of the mitigation plan, Bexar County and participating jurisdictions may apply directly to FEMA for certain grant funding.

Fire Chief Gdovin stated the plan itself is 367 pages and a link is located on the City's Fire Department website. The plan measures the capability of Bexar County and participating jurisdictions to implement hazard mitigation projects, it identifies opportunities to integrate the Hazard Mitigation Action Plan into other plans, programs, policies, and identifies mitigation measures already in place or underway. He stated these are all things done before the issue disaster event happens. The plan identified natural and human risks/hazards and describes them. It has historical data which helps to predict when these things can happen. It identifies the areas Bexar County needs to focus on.

The Hazard Mitigation Action Plan is compliant with the Federal Disaster Mitigation Act of 2000 and FEMA. It was reviewed by the City Attorney. Approval of the revised Bexar County Hazard Mitigation Plan has no fiscal impact to the city. The adoption of the revised plan will limit the fiscal liability to the City and State and Federal funding opportunities become available with adoption of the plan.

Councilmember Billa Burke moved to approve Resolution No. 2024R – 185, adopting the Bexar County Hazard Mitigation Plan. The motion was seconded by Councilmember Jessee and passed by unanimous vote.

Item # 8 Mayor Rosenthal read the following caption.

Presentation of Annual Comprehensive Financial Report for the fiscal year, ended September 30, 2023, 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 and Senior Audit Manager Selena Jones. Mr. Del Toro presented the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year which ended September 30, 2023.

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 accepted auditing standards for the purpose of forming 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 \$28.8 million on September 30, 2023, with Governmental Activities at \$17.4 million and Business-type Activities at \$11.4 million. The Net Position increased by \$2.5 million from 2022 where the Governmental Activities were at \$2.3 million due to an increase in sales taxes and property tax and the revenue from the American Rescue Plan Act. The Business-type Activities were \$230 thousand which included budgeted transfer of \$93 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 2023 fiscal year was \$6.3 million, an increase of \$20 thousand from 2022. 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 \$26 million, an increase of \$2 million from 2022. The City's fund balances ending September 30, 2023, were as follows: Restricted - \$15.8 million (unspent bond funds) and Committed/assigned - \$3.2 million.

Mr. Del Toro reviewed the Proprietary Fund/water fund. The net position increased \$230 thousand to \$11.4 million with the Unrestricted Net Position at \$2.5 million. On September 30, 2023, the City had a working capital of \$3 million for the utility operations; a decrease of \$400 thousand from the prior year's working capital ratio. This is almost 9 months operating reserves of working capital.

In addition to the audit report, a letter is also issued identifying any findings that require reporting. No negative issues were identified in the following measures.

- Accounting Policies
- Accounting Estimates and Disclosures
- Difficulties in Performing the Audit
- Misstatements
- Disagreements
- Management Representations
- Consultations with other Independent Accountants
- Compliance with the Public Funds Investment Act

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 Councilmember Billa Burke and passed by a unanimous vote.

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With no further business to consider, Mayor Pro Tem Bonner moved to adjourn the meeting at 6:45 p.m. The motion was seconded by Councilmember Billa Burke and passed by unanimous vote.

PASSED AND APPROVED THIS 13th DAY OF MAY, 2024.



Elsa T. Robles, TRMC
City Secretary



Bobby Rosenthal
Mayor