

CITY OF ALAMO HEIGHTS
CITY COUNCIL
August 8, 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, August 8, 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 Lawson Jessee
Councilmember Wes Sharples
Councilmember John Savage

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

Absent:
Councilmember Blake M. Bonner
Councilmember Lynda Billa Burke

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Mayor Bobby Rosenthal opened the meeting at 5:31 p.m.

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Item # 1 Approval of Minutes

Mayor Bobby Rosenthal asked Council for a motion on the July 25, 2022 City Council Meeting minutes. Mayor Pro Tem Lawson Jessee moved to approve the minutes as presented. The motion was seconded by Councilmember John Savage and passed by unanimous vote.

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Item # 2 Announcements

Mayor Rosenthal read the following caption.

a. Dispatch Appreciation

Fire Chief Michael Gdovin introduced City of Alamo Heights Medical Director Dr. Mark Ogden. Dr. Ogden stated he was honored to present an award in recognition of the city’s dispatchers and their roles as first responders. Ms. Colleen Ferruzzi and Ms. Ruby Regalado were present to receive the award. Council expressed their gratitude and congratulated them for their dedication and service provided to residents.

Mayor Rosenthal read the following caption.

b. Centennial Harvest Baskets

City Manager Buddy Kuhn made the announcement on behalf of Assistant to City Manager Jennifer Reyna. Harvest Baskets will be provided to the first 100 registrants and will include produce and household essentials. They are free for residents over 70 years of age. Eligible residents can register via the city’s website on Monday, August 15th or by contacting Ms. Reyna at 210-832-2209. Registration closes Friday, September 16th or when number of registrants has been reached. Mr. Kuhn noted baskets will be delivered during week of Sept. 26th. The baskets are being sponsored by Natural Grocers, Alamo Heights Community Garden, and the City of Alamo Heights. Further information will be available on City’s website, newsletter, and channeled through all social media.

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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 – Planning and Zoning Case No. 426. A request to replat the property identified as LOT E 83.3 FT OF 5, BLK 199, CB 4024, also known as 740 Tuxedo Ave, and a portion of public right-of-way, approximately 2,212 sq ft (0.05 acre tract) of the 15ft wide alley that adjoins the western side of the subject property

Community Development Services Department Director Lety Hernandez stated the applicant is seeking to replat as a condition of approval for the closure, vacating, abandoning, and selling of public-of-way as required per Ordinance 2188. The owner of 740 Tuxedo Ave. requested closure, vacating, and abandonment of a portion of alley that abuts the west side of the property. The request included a request to purchase the portion of alley. Ms. Hernandez noted the Planning and Zoning Commission (P&Z) recommended approval of the request on April 4, 2022 and the City Council approved the recommendation on April 11, 2022.

Ms. Hernandez stated the Single-Family A property is located at 740 Tuxedo Ave. on the south side. She reviewed existing site conditions/plats of the properties and proposed replat establishing the existing property and alley as one. SF-A Requirements per Sec. 3-12: Lot Area are Min. = 8,400 sq ft and Proposed = 22,895 sq ft.; Sec. 3-13: Lot Width are Min. = 60 ft and Proposed = 98.25ft. She stated CPS, SAWS, and Public Works have given approval of the proposed replat regarding potential impact on utilities. The replat meets the technical requirements listed in Chapter 3 Zoning and Chapter 17 Subdivision codes. On August 1, 2022, P&Z heard the request and voted unanimously to recommend approval of the replat as requested.

Public notifications were mailed to property owners within the 200-foot radius. Notices were posted on the City's website and on the property. A legal notice was published in the *San Antonio Express-News*. Staff received four responses in support and one in opposition. Ms. Hernandez noted the properties have historically been used as one residence.

Mayor Rosenthal opened the public hearing at 5:39 p.m. With no one to speak on the item, Mayor Rosenthal closed the public hearing at 5:40 p.m.

Item # 5 Mayor Rosenthal read the following caption.

Discussion and possible action on Planning and Zoning Case No. 426, a request to replat the property identified as LOT E 83.3 FT OF 5, BLK 199, CB 4024, also known as 740 Tuxedo Ave, and a portion of public right-of-way, approximately 2,212 sq ft (0.05 acre tract) of the 15ft wide alley that adjoins the western side of the subject property

Mayor Pro Tem Jessee moved to approve Planning and Zoning Case No. 426 as presented. The motion was seconded by Councilmember Sharples and passed by unanimous vote.

Item # 6 Mayor Rosenthal read the following caption.

Discussion and possible action to authorize the City Manager to execute an interlocal agreement between the City of Alamo Heights and the City of Schertz for the purpose of EMS billing

Fire Chief Gdovin stated the resolution being requested for approval authorizes the City Manager to renew an interlocal agreement between the cities of Alamo Heights and Schertz for the purpose of EMS billing. Alamo Heights EMS would like to continue the relationship with Schertz EMS. Schertz EMS has specialized staff for billing of insurance companies and work well with Alamo Heights staff.

The current contract expires September 30, 2022. The one year renewal includes the option for auto renewal through September 30, 2025 with the same rate fixed throughout the term of the contract through 2025.

Fire Chief Gdovin stated it is an important source of revenue to off-set recurring costs and provides extra funding for needed equipment. He noted the City Attorney reviewed and approved the renewal agreement which is identical to the previous renewal. Schertz EMS will continue to charge 9% of the amount collected, to be paid monthly, this did not increase. Fire Chief Gdovin advised, based on historical data and current collection rate, the cost would range

between \$18,000 to \$21,000 in fees collected. If the collection percentage rises, then the cost also rises. He stated the collection rate is consistently in a 60%+ range since 2013 minus mandated contractual allowances and added the City of Schertz had already adopted a resolution to renew the contract on their end.

Councilmember Sharples moved to approve to authorize the City Manager to execute an interlocal agreement between the City of Alamo Heights and the City of Schertz for the purpose of EMS billing as requested. The motion was seconded by Councilmember Savage and passed by unanimous vote.

Item # 7 Mayor Rosenthal read the following caption.

Discussion and possible action to approve a Low Bid Contract for the 2022 Street Maintenance Program (SMP)

Mr. Kuhn presented the item on behalf of Director of Public Works Patrick Sullivan. He identified the following streets for maintenance under the FY2021-22 plan:

- Judson Nature Trail parking lot
- Cardinal, St. Luke's to Woodway
- College, Ciruela to Alamo Heights Blvd.
- Evans, Ciruela to Alamo Heights Blvd.
- Imlay, College to Alamo Heights Blvd.
- Loveta, Castano to College
- Nacogdoches, Evans to Alamo Heights Blvd.
- Redwood, Henderson to N. New Braunfels
- W. Castano, Loveta to Alamo Heights Blvd.

Mr. Kuhn stated staff advertised request for bids in the *San Antonio Express-News* on June 29th and July 9th, 2022. Staff held a pre-bid meeting on July 11th and bids were opened and reviewed on July 20th. Three bids were received: Lone Star Paving - \$910,801.20; Clark Construction - \$1,001,029.54; and Texas Materials - \$1,188,777.60. City Engineer Freese and Nichols evaluated the bids received and recommended awarding the bid contract to Lone Star Paving as the lowest bid. The proposal and selection of Lone Star Paving was coordinated with Freese & Nichols Engineering, the City Manager, and City Attorney. Mr. Kuhn noted Freese and Nichols Engineering Services fee for the SMP is \$54,418.00.

Mr. Kuhn reviewed authorization results in fiscal expenditures of \$910,801.20 for the bid contract with Lone Star Paving with \$45,540.06 for 5% contingency, a total of \$956,341.26 plus engineering fees of \$54,418.00. The amount is not to exceed the total program cost of \$1,010,759.26 available in Capital Expenses.

Mayor Pro Tem Jessee moved to approve a Low Bid Contract for the 2022 Street Maintenance Program (SMP) with Lone Star Paving as requested. The motion was seconded by Councilmember Sharples and passed by unanimous vote.

Item # 8 Mayor Rosenthal read the following caption.

Presentation of Proposed FY 2022 - 2023 Operating Budget and scheduling a public budget hearing

Director of Finance Robert Galindo stated he was presenting the proposed FY 2022-2023 Budget for the City of Alamo Heights and would request Council consider scheduling a public hearing at the next regular Council meeting on August 22, 2022.

Mr. Galindo stated the City adopts a balanced budget for each fiscal year in accordance with Texas State law and generally accepted accounting standards. The budget is required to cover only those expenditures with revenue for which the City has authority to levy. A public hearing is required for the proposed budget to ensure transparency with Alamo Heights citizens.

The proposed FY 2022-2023 Budget revenues cover operating expenditures and creates a working capital of \$218,066 in net revenue. Mr. Galindo stated this working capital can be returned to the Fund Balance or designated to fund capital assets or projects. He summarized the proposed budget components as; Tax Rate, General Fund Budget, Comprehensive Fund, Capital Projects, Street Maintenance Fund & Capital Replacement Fund, Utility Fund Revenues and Allocations, and Capital Projects Fund.

Mr. Galindo reviewed a summary of the proposed General Fund Budget for FY 2022-2023. The Operating Revenues beginning on October 1, 2022 are \$11,927,208 and Department Allocations are \$11,709,142 leaving a working capital of \$218,066. Currently the General Fund balance is at 57% of the operating budget. The City maintained a healthy fund balance as recommended by the Government Finance Officers Association (GFOA).

The proposed Utility Fund Revenue and Allocations estimated beginning balance for FY 2022-2023 on October 1, 2022 is \$3,134,418. The Fund Revenues are at \$4,532,508 and Operating Expenses of \$4,377,680, leaving a balance of \$154,828 in working capital. Mr. Galindo summarized other proposed governmental fund balances and noted:

- Possible carryovers from prior year \$50,000 for lighting and \$25,000 park improvements
- Street Maintenance estimated dedicated ½ cent sales tax revenue of \$852,062
- 2021 Taxable bond proceeds are in balance
- Olmos Basin Cleanup \$25,000
- Transfers from General Fund of \$60,000 for future ambulance

After the presentation, Mr. Galindo requested Council's approval to hold a public hearing for the proposed FY 2022-2023 Budget on August 22, 2022 and set an action item to adopt the proposed budget on August 22, 2022.

Councilmember Sharples moved the City hold a public hearing for the Proposed FY 2022-2023 Budget on August 22, 2022. The motion was seconded by Councilmember Savage and passed by unanimous vote.

Councilmember Sharples moved the City have an action item to adopt the Proposed FY 2022-2023 Budget on August 22, 2022. The motion was seconded by Councilmember Savage and passed by unanimous vote.

Item # 9 Mayor Rosenthal read the following caption.

Discussion and possible action to set the proposed 2022 tax rate and scheduling a public hearing

Mr. Galindo stated the City is required by Ch. 26 of the Texas Property Code to determine and publish the no new revenue tax rate and the voter approval tax rate. The City is required to decide how much revenue is needed and to calculate the rate required to raise that amount. Public notices must be published and if the proposed tax rate will exceed the no new revenue tax rate, the City must hold one public hearing and adopt a tax rate. He stated in theory the property tax rate and property valuation have an inverse relationship. If the valuation goes up, the tax rate goes down and vice versa. This is because the tax rate is a rate that would generate the same amount of revenue for properties in both tax years.

Mr. Galindo reviewed the 2022 Tax Rate calculations per \$100 received from Bexar County Tax Assessor.

- No New Revenue Tax Rate - \$ 0.378140**
provides the same amount of revenue received in prior year on properties taxed in both years which excludes new values
- NNR M&O Tax Rate - \$ 0.315026**
- VA M&O Tax Rate 1.035 - \$ 0.326051**
- I&S Tax Rate - \$ 0.084180**
- Voter Approval Tax Rate - \$ 0.410231**
maximum rate allowed by law without triggering an automatic election to approve tax rates exceeding the voter approval tax rate
- VA Tax Rate w Unused Increment - \$ 0.457756**

Mr. Galindo stated the current tax rate is \$0.404439. The Voter Approval tax rate is \$0.410231 and the No New Revenue tax rate is \$0.378140. Staff is recommending the proposed tax rate for 2022 to be \$0.382000 per \$100 valuation, a decrease of \$0.022439 or 5.5% from the current tax rate. He advised once Council decides and approves a tax rate, they are not able to go above said rate. Mr. Galindo broke-down the proposed 2022 Tax Levy and proposed fund balances.

Freeze Adjusted Taxable Value	\$1,567,158,438
Proposed Tax Rate	\$0.382000/\$100
Taxable Revenue	\$5,986,545
Plus Tax Freeze Revenue	\$1,723,912
Total Property Tax Revenue	\$7,710,457

FISCAL IMPACT	
O&M (General Fund)	\$6,479,206
I&S (Debt Service Fund)	\$1,231,251
Total Property Tax Revenue	\$7,710,457

The proposed tax rate of \$0.382000 is less than the voter approval tax rate of \$0.410231 and higher than the No New Revenue Tax Rate \$0.378140. Council is required to hold a public hearing to obtain citizen input. The City will publish notices pursuant to the Texas Property Tax Code. In calculating the proposed tax rate for 2022, the total estimated property tax revenue is \$7,710,457.

Councilmember Savage shared his concern stating the proposed budget was good; however, with inflation continuing to rise, the proposed budget is decreasing the City's revenue and expenses could be higher than anticipated next fiscal year. He added a 4% cost of living

adjustment (COLA) was not competitive enough in comparison to other cities. He suggested Council consider increasing the tax rate slightly and increasing the COLA to 5% to help retain employees and attract new ones.

City Attorney Frank Garza advised once Council decides and approves a tax rate, they can not exceed that rate. He suggested they approve a slightly higher tax rate and reduce later if they decided to as long as it is not greater than the 2022 voter approval tax rate of \$0.410231.

Mr. Kuhn noted he and Mr. Galindo go through this exercise every year. This year they factored in inflation, COLA, and projects discussed during the SAP and Budget work sessions and decided the lower tax rate of \$0.382000 would still generate revenue since certified valuations came in at 9.5%.

After some discussion, Mayor Pro Tem Jessee suggested Council approve the proposed tax rate of 0.392000. He added, if Council elects to increase the COLA, he'd prefer to have a larger buffer no matter what the tax rate is and requested to see the compounding issue over the next five years if Council opts to do a COLA of 5% this year.

Mr. Kuhn stated staff would need to recalculate the M&O and I&S rates if Council approved the proposed tax rate of 0.392000. Mr. Garza added Council could vote on accepting the proposed tax rate and request staff to recalculate the M&O and I&S rates. Staff can report back to Council before adopting the tax rate on August 22, 2022.

Mr. Galindo requested Council's approval to hold a public hearing for the proposed 2022 Ad Valorem Tax Rate on August 22, 2022 and set an action item to adopt the 2022 Ad Valorem Tax Rate on August 22, 2022.

Mayor Pro Tem Jessee moved to set the proposed 2022 Tax Rate not to exceed \$0.392000 per \$100 valuation composed of the M&O Rate and I&S Rate to be calculated by staff. The motion was seconded by Councilmember Sharples and passed by roll call vote as follows: Ayes – Mayor Pro Tem Jessee, Councilmember Sharples, and Councilmember Savage. Nays – None. Present but not voting – Mayor Rosenthal. Absent and not voting – Councilmember Blake M. Bonner and Councilmember Lynda Billa Burke.

Mayor Pro Tem Jessee moved the City hold a public hearing for future consideration of the 2022 Proposed Tax Rate on August 22, 2022. The motion was seconded by Councilmember Sharples and passed by roll call vote as follows: Ayes – Mayor Pro Tem Jessee, Councilmember Sharples, and Councilmember Savage. Nays – None. Present but not voting – Mayor Rosenthal. Absent and not voting – Councilmember Blake M. Bonner and Councilmember Lynda Billa Burke.

Mayor Pro Tem Jessee moved the City set an action item on the August 22, 2022 agenda to adopt the 2022 Tax Rate. The motion was seconded by Councilmember Sharples and passed by roll call vote as follow: Ayes – Mayor Pro Tem Jessee, Councilmember Sharples, and Councilmember Savage. Nays – None. Present but not voting – Mayor Rosenthal. Absent and not voting – Councilmember Blake M. Bonner and Councilmember Lynda Billa Burke.

Staff Reports

Item # 10 Mayor Rosenthal read the following caption.

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

Mr. Kuhn provided Council an update on the City's Centennial Celebration. He stated planning continues for the City's 100-year anniversary week as staff continues to have weekly meetings with CE Group.

Mr. Kuhn stated there are plans for guest engagement activities such as rock climbing, giant game activities, and family area. Food trucks vendors will be invited participate in the event. CE Group is also finalizing stage entertainment, site layout, and securing rentals. The Little League ball fields will be utilized for several of these events. Mr. Kuhn added the U.S. Army Parachute Team (Golden Knights) are confirmed to perform. Additionally, staff has teamed up with caterer True Flavors to lead the permitting efforts and alcohol/beverage sales during the event.

Other City-wide activities being ironed out for the week of October 1st - October 12th include: National Night Out, a Centennial 5K Fun Run, an afternoon at the Argyle to explore the history of Alamo Heights and its historic buildings, Social Hour at Jack Judson Nature Trails, and COAH Fire/Police Education Safety classes.

Mr. Kuhn stated Mayor Rosenthal has worked on sponsorship packages. These are now finalized and ready to send out for potential sponsorship from individuals/companies that have expressed interest in supporting the Centennial Celebration.

Several local sponsors and organizations that have committed engagement or in-kind donations are: Alamo Heights Bark Park, Alamo Heights Community Garden, Bird Bakery, Boards & Brush, CityVet, Fifi's & Fido's Pet Boutique, Friends of the Hondondo Creek, Marble Slap Creamery, Cooper's Meat Market, Mike's Dog Store, Natural Grocers, Petbar, and Pet Supplies Plus.


Staff is busy creating mailers outlining events and times to be distributed to residents in September. CE Group is working on marketing posters and social media efforts as part of the timeline. Additional information will be updated on the city's website when events are finalized.

Mayor Rosenthal reiterated sponsorship packages are ready and asked Council to help reach out to additional individuals or companies. The goal is to have all sponsors in line by the end of August.

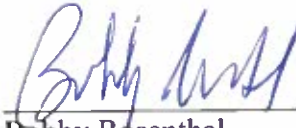
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With no further business to consider, Councilmember Sharples moved to adjourn the meeting at 6:26 p.m. The motion was seconded by Mayor Pro Tem Jessee and passed by unanimous vote.

PASSED AND APPROVED THIS 22nd DAY OF AUGUST, 2022.



Elsa T. Robles, TRMC
City Secretary



Bobby Rosenthal
Mayor

