

MINUTES OF REGULAR  
CITY COUNCIL MEETING HELD  
APRIL 20, 2022

The City Council of Olmos Park, Texas held a regular meeting on April 20, 2022 commencing at 6:00 p.m. in the Council Chambers at City Hall. Mayor Ronald Hornberger presided and Council members present were Juliana Dusek, Erin Harrison, Kenyon McDonald, Sharon Plant and Deanna Rickabaugh. Staff present were City Manager, Celia DeLeon, City Secretary, Kyndra Munoz; Fire Chief, Michael Goodreau; Police Chief, Rene Valenciano; and Director of Public Works, Gilbert DeLeon. Also present was City Attorney, Richard Lindner; Christopher Allison, M.E. Allison & Co.; Brenda Atherton, 221 Belvidere; Arnold Cantu, Cantu Harden LLP; Paul Covey, 138 E. Wildwood; David Givler, Givler Engineering; Adam Harden, 415 Devine; Sandy Hornberger, 215 Belvidere, Logan Rodgers, Rodgers Group; and Megan Rodriguez, San Antonio Express News.

Mayor Hornberger called the meeting to order at 6:00 p.m. and determined a quorum was present.

Citizens to be heard: This time is provided for citizens to address the Council on issues and concerns. No action can or will be taken on issues raised under this portion of the meeting. Please state your name and address for the record and limit your remarks to a period not to exceed three minutes.

There were no citizens to be heard.

Discussion and possible action on roof repairs:

a. accepting a bid for city hall roof repair/replacement project, and authorize City Manager to negotiate and execute a contract for the work or pre-purchase of materials; and,

b. Authorize City Manager to enter into a service agreement with a Public Insurance Adjuster to negotiate the city hall and fire station roof insurance claims.

City Manager Celia DeLeon stated this item was tabled from last month so Councilwoman Harrison and myself could meet with Guido Construction to walk on and look further into the roof damage. They said we definitely have hail damage and they recommended we work with Mr. Logan Rodgers who is a public insurance adjuster. Mr. Rodgers also walked the roofs and agreed there is hail damage. Mr. Rodgers believes he can argue our TML claim denial and is present to answer any questions.

Logan Rodgers, Rodgers Group stated I am a public insurance adjuster licensed in the state of Texas and several other states. The goal of this profession is to represent policy holders only and disputes with their insurance companies to align contractual obligations inside those policies with damages due to homeowners or businesses. In your case, I was able to look at the roof with and we agreed there is hail damage to the two flat roofs. I know the insurance carrier has already agreed to some damages on the Fire Station to include a number of tiles. Essentially, the goal we would set forth is to make sure the policy that has been written for the City is being adhered to by the insurance company and the representatives that come out and adjust the losses. We would come out and adjust those losses with the insurance company and their representatives and negotiate those damages on behalf of the City. We would also make sure any timelines as far as adjusting these losses are being met. The original loss was filed on May 27, 2022 for a hail claim and that is the loss in which the insurance company agreed to some damages; the 2-year statute of limitations is approaching pretty quickly. My company can ask for the maximum extension using our contract. The reason our profession exists is because sometimes the insurance companies are not subjectively looking at these damages; they are looking at wear and tear deterioration and are missing the point that there are real damages and covered losses that should be accounted

for. Our fee is contingent on recovering funds, we are not paid unless the insurance company issues a check.

Councilwoman Plant asked have you had any success with TML before?

Logan Rogers stated I have not worked with TML before.

Mayor Hornberger asked for casualty insurance, does TML engage or sell policies to other insurance companies in which you are dealing with private insurance companies and not TML themselves?

Logan Rodgers stated based on the documents I have, TML is the company that makes the decisions. Lots of insurance companies appoint third party insurance administrators to handle their claims. In this case I do not know specifically if other insurance agencies are involved but based on the documents I have, it is just TML.

Councilwoman Harrison stated a lot of this came about when Guido Construction was presenting, one of the questions I had was if we went ahead and applied the coating, any damage that could be or was under the surface would be sealed in for the next 20 years. The other option was to do the full re-roof. While going through the process and walking the roof on 2 separate occasions, Guido and Mr. Rodgers each independently identified hail damage. We felt it was best to resubmit this to be looked at again.

Celia DeLeon stated Councilwoman Harrison and I also discussed the possibility of the roofers to begin ordering some of the materials.

Councilwoman Harrison stated one question we had was, if we place the order now, will it secure the pricing for the materials. From what we understand, if we approve this, they can start purchasing materials as this is being reviewed. If this turns out in our favor, we can replenish the funds used for the purchase of the materials and roofing supplies.

Councilwoman Rickabaugh stated we will still need a new roof and still need these materials. Will Guido store the materials for us?

Celia DeLeon stated I will ask if they can store the materials.

Councilwoman Plant moved to accept a bid from Guido Construction for city hall full roof replacement project, authorize the City Manager to negotiate and execute a contract for the work or pre-purchase of materials and give City Manager the authority to negotiate and execute a service agreement contract with Public Insurance Adjuster Rogers Group to negotiate the city hall and fire station roof insurance claims.

Councilwoman Harrison seconded the motion.

The vote in favor of the motion was unanimous.

Discussion and possible action regarding City Engineer's recommendation to accept a bid for FY 2021-2022 Sanitary Sewer Repairs project and authorize the use of American Rescue Plan Act ("ARPA") funds for all or part of the project.

Councilwoman Plant stated this project is not part of and is separate from agenda item number 8 regarding financing, notices or bond issuance options for costs of potential storm sewer, sanitary sewer, and street projects.

Councilwoman Plant moved to approve and accept the City Engineer's recommendation to perform the FY 2021-2022 Sanitary Sewer Repairs project and authorize the use of American Rescue Plan Act ("ARPA") funds for all or part of the project.

Councilman McDonald seconded the motion.

The vote in favor of the motion was unanimous.

Consideration and approval of a resolution approving an engagement agreement for legal services with Cantu Harden LLP and to terminate legal services agreement with Locke Lord without cause, effective immediately, and authorize City Manager to provide notice; and other matters in connection therewith.

Councilwoman Rickabaugh stated we originally hired Mr. Harden and his firm as bond counsel, but he has since left and started his own firm.

Councilwoman Plant moved to approve a resolution approving an engagement agreement for legal services with Cantu Harden LLP and to terminate legal services agreement with Locke Lord without cause, effective immediately, and authorize City Manager to provide notice; and other matters in connection therewith.

Councilwoman Harrison seconded the motion.

The vote in favor of the motion was unanimous.

PUBLIC HEARING regarding Planning and Zoning's recommendation on amending Sections 40-40 and 40-41 of the City Code to revise certain provisions relating to minimum setbacks and maximum permitted height for accessory structures.

Mayor Hornberger opened the public hearing at 6:23 p.m.

There were no speakers.

Mayor Hornberger closed the public hearing at 6:24 p.m.

Discussion and possible action on Planning and Zoning's recommendation on amending Sections 40-40 and 40-41 of the City Code to revise certain provisions relating to minimum setbacks and maximum permitted height for accessory structures.

Mayor Hornberger asked why is this change needed, what is its purpose and what is the condition at which this change is directed?

Adam Harden, Chair of the Planning and Zoning Commission stated we were asked in July of last year to look into building height and maximum building height as it relates to the setback. We actually would like more color from Council on what we were to look at. We looked at both primary structures and accessory structures, had some Board turnover and ultimately formed a subcommittee who wrote a report suggesting if we were to make a change, this would be the recommendation. They had 3 different directions it could go: one was nothing needs to change at all, second was to go into a different direction and overhaul, and this was the middle ground and the change they thought would be the least restrictive on the residents. What we didn't want to happen was people would wake up and there would be 300 homes out of compliance so we tried to create a reasonable middle-ground solution. I think the concern was you have people with very tall accessory structures that are looking over their neighbors.

Mayor Hornberger stated we have an ordinance on prohibition of anything other than opaque windows facing either side or the rear of the property in question. Why are we going to tell everybody out there who hasn't already built up their exterior garage with a second story, that they can't do it? This ordinance says they can't do it. What is the root problem we are trying to cure with this ordinance?

Councilwoman Rickabaugh stated this issue came up in July of last year. We instructed Planning

and Zoning to look into this when we had citizens come in to speak about the heights at the setback line and how that could potentially impact them.

Mayor Hornberger stated the solution P&Z had is, if you are going to have an accessory building, it must be located 12 feet from the rear property line.

Councilwoman Harrison stated in smaller lots and in most cases, they will no longer have the ability to alter their garage to a second story to meet their family needs in the future.

Councilwoman Rickabaugh stated reading from the July 21, 2022 minutes: "Councilwoman Plant moved to direct the Planning and Zoning Commission to review code of ordinances for possible update to include setbacks, looming, building heights, impervious cover and any other relevant ordinances and direct City Attorney, Richard Lindner to review and consider ordinance regulating the increase/diversion of drainage leaving a property during and after residential construction and as it effects neighboring properties. Councilwoman Rickabaugh seconded the motion. The vote in favor of the motion was unanimous." The Planning and Zoning Commission then began their work and discussed accessory buildings, then were going to move onto primary buildings. The Council needs to add more color to the direction for the Planning and Zoning Commission if we want them to go forward.

Councilwoman Plant stated the decision was made to wait until after the election to place this back on the agenda because most of what we instructed P&Z to look at has already been addressed either by Planning and Zoning or City Council. I am not sure there is anything left on the list.

Paul Covey, 138 E. Wildwood stated I was on the Planning and Zoning Commission subcommittee and we were deeply concerned about suggesting anything but felt we should give our opinion to the City Council. If you really want to do something, this is one option.

Councilwoman Harrison stated my family moved from Alamo Heights where we had some of the strictest ordinances. One of the things we looked at in the different communities when buying a forever home is the ability to make changes as our family grew and as things changed in the community. If we were to enact this and it goes to the Board of Adjustment for every little thing, we will be accumulating a lot more work for these committees to deal with. I think this would be a disservice to the community and most of the homes on a quarter acre of land or less will not be able to make any changes to their existing garage.

Councilwoman Dusek stated from what I remember this was brought up because even though there were opaque windows, when you walk up the stairs, it was so close to the back and the landing was looming over someone's backyard.

Mayor Hornberger stated if that is the problem, we can do an ordinance that says if you are going to install a second story onto the garage, the access to that room must be on the side of the building that faces the street.

Councilwoman Harrison stated in terms of this particular item, I think we need to leave the ordinance alone as it currently stands.

There was no action taken on this item.

Discussion and possible action regarding financing, notices or bond issuance options for costs of potential storm sewer, sanitary sewer, and street projects.

Mayor Hornberger stated this is a follow-up discussion on last month's meeting.

Mayor Hornberger opened item number 9 along with item number 8.

Consideration and approval of a resolution by the City Council of the City of Olmos Park, Texas authorizing and approving the publication of a Notice of Intention to Issue Certificates of Obligation; complying with the requirements contained in the Securities and Exchange Commission Rule 15c2-12; and providing an effective date.

Christopher Allison, M.E. Allison & Co.; stated I serve as the Financial Advisor to the City of Olmos Park. This item is issuing a notice to citizens that there is an intent to issue certificates of obligation. Then we do the public notices and residents have the opportunity if they desire to, protest and force you into an election if they so choose. It is certainly giving the intention we plan to move forward with the bonds but it doesn't commit you to issuing bonds. On the day we bid out bonds, if the City says the rates are too high, the City has the right to reject it and not move forward.

Mayor Hornberger stated this is a maximum of and not to exceed \$6 million.

Christopher Allison stated I recommend holding a public workshop to let any citizens ask any questions and understand the financing. They should have as much knowledge as possible. You have critical infrastructure that needs to get taken care of and this is something that is explained in the workshop. With regard to item number 8, there is one major item I have to retract from our workshop. I recommended the City move forward with a private placement. I did reach out to several local banks, one who stated they won't be a bidder and the other stated if it was private placement they would mark up ½% higher. There are still a number of large national banks that are potential buyers, but historically it has been local banks who have bought Olmos Park without a rating. What I am recommending is, I would prepare an offering document with no additional costs, and the City would apply for a bond rating. The City currently does not have a bond rating and this would be an additional cost. There are 3 main rating agencies; all of the local cities in Bexar county have all 3 ratings or just 1 rating. The cost associated with a rating would be \$16,250.

Councilwoman Rickabaugh asked would a tax note be easier to sell?

Christopher Allison stated a tax note would be easier to sell but you can only finance a very small part of the project. For \$6 million over 20 years, we could finance and keep the total M&O and I&S rate where you are currently.

Councilwoman Dusek stated I would like to move forward.

Councilwoman Plant stated today will not change anything and we can always change our minds later.

Councilwoman Rickabaugh asked are you on board with this? How has your thinking changed?

Councilwoman Plant stated the sewers must be replaced at some point. We have 3 more years under this administration and I do not see things getting better. While we have our financial advisor's guidance, I am okay with this. Generally speaking, I do not want to obligate the City into debt, but this is about our City and the sewer system.

Christopher Allison stated if you move forward at this point, the commitment you are making is for me to hire Standard & Poor's to do a rating.

Councilwoman Harrison asked once we get a rating, how long is the rating good for?

Christopher Allison stated the rating is outstanding and they will complete a review every 2 years.

Councilwoman Dusek moved to approve a resolution by the City Council of the City of Olmos Park, Texas authorizing and approving the publication of a Notice of Intention to Issue Certificates of Obligation; complying with the requirements contained in the Securities and Exchange Commission Rule 15c2-12; and providing an effective date and allow Christopher Allison to move forward with hiring Standard & Poor's to complete a City rating.

Councilwoman Rickabaugh seconded the motion.

The vote in favor of the motion was unanimous.

Councilwoman Dusek asked if we do not have any residents that have an issue with this, how long will the public notice last?

Arnold Cantu, Cantu Harden LLP stated the notice is required to be posted for 46 days. In this case, action can be taken on June 15<sup>th</sup>. We will have to publish this notice in the local newspaper twice, 7 days apart. Along with the publication, we will post this notice on the City's website. The notice will include that we intend to issue no more than \$6 million, it will discuss the impact on the City's finances, the time it will take, the total cost including principal and interest that are estimated at this point in time, and the bonds will not go out more than 20 years.

Councilwoman Plant stated regarding the public workshop for the residents, I would like Christopher, David and Cantu Harden to be present to answer questions.

Mayor Hornberger stated we will hold the public workshop on May 18, 2022 at 5:30pm and extend this agenda item to our regular 6:00pm meeting if needed.

Consent Items:

- a. Approve Cash Disbursements March 2022;
- b. Approve City Council minutes of March 16, 2022; Special City Council minutes of March 16, 2022; Special City Council minutes of March 28, 2022 and City Council Workshop minutes of March 28, 2022
- c. Excuse Councilwoman Erin Harrison from attending the April 20, 2022 City Council meeting
- d. Approve Soler Sports request to hold Dam 09 Triathlon through Olmos Park on August 20, 2022

Councilwoman Harrison stated I would like to pull item C.

Councilman McDonald moved to approve consent items A, B and D.

Councilwoman Harrison seconded the motion.

The vote in favor of the motion was unanimous.

Departmental Reports: (Written reports submitted to City Council, no further discussion required, unless requested by City Council.)

a) Police:

- (1.) Incidents, arrests and activity during the prior and current months.

- b) Fire:
  - (1.) Fire and other service calls, activity and training activities during the prior and current months.
- c) Streets and Sanitation:
  - (1.) Monthly Report
- d) Administration:
  - (1.) Financial reports for March 2022;
  - (2.) Monthly overtime, CT, vacation, sick leave report;
  - (3.) Building Department Report;
  - (4.) Municipal Court Report
- e) Manager's report:
  - (1.) Discussion of written reports (if needed).

Councilwoman Dusek moved to approve the Departmental Reports as submitted.  
Councilman McDonald seconded the motion.  
The vote in favor of the motion was unanimous.

Celia DeLeon stated this is Mayor Hornberger's last meeting and I would like to thank him for all of his support and hard work.

Mayor Hornberger stated I have been blessed with the best City Council and great support staff. Thank you all.

There was no further business and the meeting was adjourned at 7:20 p.m.

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Ronald Hornberger  
Mayor

ATTEST:

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Kyndra Munoz  
City Secretary