

MINUTES OF REGULAR
CITY COUNCIL MEETING HELD
SEPTEMBER 17, 2015

The City Council of Olmos Park, Texas held a regular meeting on September 17, 2015 commencing at 6:00 p.m. in the Council Chambers at City Hall. Mayor Kenneth Farrimond presided and Council members present were Casey Fry, Kenyon McDonald, Deb Prost and Ronald Hornberger. Council members not present were Juliana Dusek. Staff present was City Manager, Celia M DeLeon; City Secretary, Diane Gonzales; Fire Chief, John Surber; Police Chief, Rene Valenciano; and Public Works Director, Gilbert DeLeon. Also present were City Attorney, Frank Garza; Sean Thompson, TMRS; Sharon Plant, 131 E. Mandalay; A.T. Brainerd, 201 E. Mandalay and Pat Meier, 140 Stanford.

Police Chief Valenciano stated presented Council with a video from September 10, 2015 at 3:30 p.m. of a high water rescue by two of our Police Officers. Chief Valenciano presented Officer Albert Guadiano and Officer Clemente Perez with a plaque for recognition and outstanding excellence for their actions above and beyond the call of duty.

Mayor Farrimond 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.

No citizens to be heard.

Discussion on an Ordinance affecting participation of City employees in the Texas Municipal Retirement System granting the additional rights authorized by Section 854.202(g) of Title 8, Texas Government Code, as amended, and prescribing the effective date for the Ordinance; take possible action

Mayor Farrimond stated this item came up at our budget meeting which changes the TMRS from a 25 year retirement to a 20 year retirement. We have two draft budgets one for a 25 year and one for a 20 year and we have requested TMRS to provide us with some additional information.

Sean Thompson with TMRS stated the last time I was here there were some questions regarding what other cities look like and I do not have that information. It is not uncommon for a pension fund to go through an experienced study every four years. Experienced studies are when the actuary rates take a look at the assumption that they are using to calculate the rates every year. They look at mortality, refund rates, retirement rates and payroll growth and they are reviewed every four years and then make recommendations to adjust certain ones that could be off. Currently now we are in the middle of an experience study so I was not able to get some of the numbers that Council has asked for which was a 10 and 15 year projection as far as the liabilities go for changing from a 25 year to a 20 year City. We don't expect to have that capability of those figures until next spring when the experienced study is complete in December.

Mayor Farrimond asked if we don't institute a change now when our budget is approved can we still change it at some point during the year after you are finished with the experience study?

Sean Thompson stated yes, you can change it.

Councilman Hornberger stated I believe you made an adjustment and lowered the rate of return in July of this year.

Sean Thompson stated yes our investment returns are something that we look at when we have a 7% investment return assumption and we have lowered that to a 6.75% investment return. This is part of the review that we look at every 4 years with the experience study.

Sean Thompson stated the handout you have will show 8 years back but in that 8 year period back in 2005, 2006, 2007 and 2008 TMRS could not grant a higher interest credit to the Cities accounts than to the members accounts, they were linked together as well as what we previously used to have called the current annuity reserve fund which created some of the lower interest while the fund may have returned more, those monies were put into a reserve fund because of the leverage that created by having to credit the City and members the same dollar amount. We unlinked those in 2009.

Councilman Hornberger stated I am interested in a chart that shows trending data on what the actual investment returns were versus what the assumed returns were. I would like to see what it was 8 years ago and an annual trend line basis of what actual return was achieved.

Mayor Farrimond stated it is my feeling that we wait and table this item until we get all this information in the spring before we decide.

Councilwoman Prost asked since we are almost at the end of 2015, what have you earned for this year for the first 9 months?

Sean Thompson stated I don't know what our credit is year-to-date; they won't release those numbers until our board meeting next week.

Mayor Farrimond asked what is the difference between the interest credit to the City's account and the rate of return on the total TMRS entire fund?

Sean Thompson stated there is a small difference because you have administrative cost and we use to have 3 different funds: Municipal Accumulation Fund, which is the City's money, then we had an Employee Savings Fund, which is all the money the employee is contributing, then we have the Current Annuity Reserve Fund, which was all your retirees, so once they retired we would take the money from the Municipal Accumulation Fund and the employees money out of the Employee Savings Fund and transfer that to the Annuity Reserve Fund and that is what actually pays the annuity to the member of retirement. Now we have just one fund called the Benefit Accumulation Fund so now employees have their own accounts and the Cities have their own account and the City earns interest off of that whole account so now you are receiving interest credit off both accounts whereas before you were only receiving off of the Municipal Accumulation Fund and that created more assets on your books to where you earn more interest.

Councilwoman Prost asked in 2009 to 2010 there was a large shift as being underfunded by \$53,000 and overfunded by \$578,000, what caused that large shift?

Sean Thompson stated that was the HB360 that allowed that variable interest rate to be credited. Olmos Park does have the dollar amounts to go to the 20 year retirement, what we don't have is the projection for the next 10 – 20 years. We don't know exactly what the impact will be going from 7% to the 6.75%.

Councilman Hornberger moved to table this item and keep the 25 year retirement until the spring when we have all the information.

Councilman McDonald seconded the motion.

The vote in favor of the motion was unanimous.

Public Hearing on FY 2016 proposed budget

Mayor Farrimond opened the public meeting at 6:30 p.m.

Mayor Farrimond closed the public meeting at 6:31 p.m.

City Manager DeLeon stated you have two sets of budgets, one for the 20 year retirement and one for the 25 year retirement which I am assuming you will adopt the proposed 25 year retirement which is the 60/40. I wanted to bring something to your attention, I spoke to TML's legal department and they are 99% sure that the U.S. Department of Labor proposes an increase in salary for exempt employees before January 1, 2016. They are raising the minimum salary on an exempt employee from \$23,660 to \$47,892 and the only employee that it affects is Gilbert DeLeon so the cost to raise his salary to the minimum is going to be an additional \$2,800 dollars which would keep us from paying overtime. I propose that if this bill does go through that we make a budget amendment at that time and raise his salary. Council agreed to raise Gilbert DeLeon's salary to match the proposal upon its approval.

Review, discuss and consider Ordinance 2015-08 adopting the FY 2016 budget; take possible action by record vote

City Manager DeLeon stated this item needs to be by record vote.

Mayor Farrimond stated we are talking about not changing the tax rate because almost everybody's evaluations have gone up and it will increase taxes on most individuals in the City. This budget assumes that tax rate.

City Manager DeLeon stated this budget will raise taxes by \$128,055 and of that amount \$44,716.59 is tax revenue to be raised from new property added to the tax roll.

Councilman Hornberger moved to adopt FY2016 budget that leaves the retirement time period for a 25 year retirement for the City of Olmos Park.

Councilman McDonald seconded the motion.

The roll call vote on the motion was:

Councilwoman Prost	Aye
Councilman Hornberger	Aye
Councilman McDonald	Aye
Councilman Fry	Aye

The motion passed.

Ratify the property tax increase reflected in the FY2016 budget, per Texas Local Government Code Section 102.007(c); take possible action by record vote

City Manager stated this is a requirement for Texas Local Government Code and needs to have a record vote.

Councilman McDonald moved to ratify the property tax increase reflected in the FY2016 budget.

Councilman Hornberger seconded the motion.

The roll call vote on the motion was:

Councilwoman Prost	Aye
Councilman Hornberger	Aye
Councilman McDonald	Aye
Councilman Fry	Aye

The motion passed.

Public Hearing on 2015 tax rate to fund FY 2016 budget

Mayor Farrimond opened the public meeting at 6:35 p.m.

City Manager DeLeon stated the tax rate will remain the same of 0.442785.

Mayor Farrimond closed the public meeting at 6:36 p.m.

Consider Ordinance 2015-09 setting the 2015 Tax Rate to fund the Fiscal Year 2016 Budget; take possible action by record vote

Councilman Hornberger moved to adopt Ordinance 2015-09 setting the 2015 tax rate to fund the FY 2016 budget.

Councilman McDonald seconded the motion.

The roll call vote on the motion was:

Councilwoman Prost	Aye
Councilman Hornberger	Aye
Councilman McDonald	Aye
Councilman Fry	Aye

The motion passed.

Review and discuss Request for Qualifications for auditing services received to perform the FY2015 annual audit; take possible action

Mayor Farrimond stated we have used Armstrong & Vaughn for the last 5 years and the accounting codes suggest every 5 years to reconsider for best practices. We have received four qualifications from auditing services.

Frank Garza stated I know some government entities that are comfortable with their auditor and use them for 10 years and others that have a local policy requiring changing auditors every three years. Olmos Park does not have such policy.

Councilwoman Prost stated I have worked with Armstrong & Vaughn with the EDC and thought they did an excellent job and I would recommend that we continue with their services.

Councilman Hornberger stated I am happy with the current auditors and I don't see any reason to change.

Councilman Hornberger moved to have Armstrong & Vaughn perform the FY2015 annual audit.

Councilman McDonald seconded the motion.

The vote in favor of the motion was unanimous.

Discussion of Interlocal Cooperation Agreement with City of San Antonio establishing concurrent jurisdiction; take possible action

Police Chief Valenciano stated this interlocal agreement gives the surrounding jurisdiction with The City of San Antonio authority for Class C misdemeanors, traffic citations up to an additional 200 yards into the City of San Antonio and would be a probable cause to stop if the Officers see

a violation then we will be legally authorized for Class C misdemeanors. We already have an agreement with Alamo Heights and Terrell Hills and this will be just an addition. It is my understanding that talking to other Chief Administrators that a lot are on board with this particular agreement.

Frank Garza stated this was passed at the last legislative to allow one municipality to have overlapping jurisdiction to another. A lot of the issues have been the fact that another City did not want to force another because it was going to be in that other City's municipal court. This allows for any citation issued by our Officers within that overlapping are our municipal court and not the other City's court.

Councilman Fry moved to approve the Interlocal Cooperation Agreement with the City of San Antonio.

Councilman Hornberger seconded the motion.

The vote in favor of the motion was unanimous.

Councilwoman Prost stated I think we should consider negotiating some additional interlocal agreements with San Antonio as quite a few businesses are buying properties that overlap into San Antonio and as a developer it makes them have to deal with two municipalities for building permits. I think the EDC should put this on their docket to look at and there may be an opportunity to help our businesses.

Councilman Hornberger stated we have a great deal of our business district that backs up to San Antonio and people who buy and develop on that property are stuck dealing with two municipalities, is there a way to draw up some interlocal agreements that will resolve that kind of an issue.

Frank Garza stated there is a specific state law that allows for a City and County to enter into an interlocal agreement so that if you are building in one ETJ you only have to go to one entity. There is no separate law under the development code, but I believe under the Interlocal Government Cooperative Act Chapter 791, this would fall under one of those categories, so we could approach the City of San Antonio or they can approach us with regards to allowing one entity to allow for such development. I know that the City of Alamo Heights has a similar agreement with San Antonio.

Mayor Farrimond stated I know of one specific business, Julian Gold who is half in Olmos Park and half in San Antonio and San Antonio had Olmos Park do all the permitting for any construction.

Fire Chief Surber stated that was done through letters from City of San Antonio Development Office straight to our Building Official that said COSA relinquishes control and have Olmos Park handle all permitting on this project and all the emergency services would be coming from Olmos Park.

Frank Garza stated utilizing those letters with those names of individuals would be the ones that I would contact to develop an interlocal for all properties that have that current jurisdiction.

Councilman Hornberger stated we can ask our City Manager to pursue that and work with Frank to develop some kind of an agreement to Council.

Councilwoman Prost stated we want to be sure and check with Police, Fire and Public Works if we were going to take responsibility for emergency services.

Mayor Farrimond stated some of the suggestions I have heard from some of our property owners is the City will indemnify the owner of the parking lot for liability if they let other people park in another business.

Frank Garza stated I would not recommend the City indemnifying any private business.

EDC Report and recommendations on the McCullough Business District; take possible action

Mayor Farrimond stated we have received a report from Andres Andujar on the PSW Project and basically he says everything looks ok. The EDC board asked Andres Andujar to go through the plans for the McCullough Project and see if he agreed with them and proceed with these plans. In the plans they want us to change the entire turn radiuses from our present 10 foot turn radius to a 25 foot turn radius which is a more modern standard. Andres has talked to the fire department to see if the fire trucks could actually make the turns so rather than change to a 25 radius we will keep the 10 foot radius and save us a lot of money. As far as the process goes Andres said we could have a test period and see if people could live with the change and there are three options of how to stripe the street: (1) is to have a stripe down the middle, (2) is to have a turning lane which is about 10 feet wide in the center with two traffic lanes, and (3) is to have two traffic lanes and two bike lanes about 5 feet wide. The EDC board would look at all of this at their next meeting and pick one of the options and present that to the Council and Council could accept it or change it and then once that is done, stripes the street from Panchito's to the railroad tracks. Andres said the lines cost about a dollar a foot, you would stripe a single line for the proposed new curb which is about 3 feet from into the street from the old curb and then the other stripes, either a turn lane two stripes or center lane, one stripe or bike lanes, two stripes and a total expenditure by the EDC of \$15,000 to \$40,000 dollars and EDC has the money to do that. Andres suggested we do not use a center turn lane because of the way our streets are staggered. We would leave those stripes in place for a period of time at least a year and let people drive on it and see how they like it and if they are satisfied then we can begin on the actual construction. Andres also mentioned we probably should stripe some cross walks, maybe one at each of the bus stops. On October 10th the EDC is going to have a meeting then workshop to last about 4 or 5 hours.

Councilman Hornberger stated I have met with Andres and one of the key elements for Planning & Zoning and the City's sake is the importance of setting the west curb of McCullough between the circle and the railroad tracks because everything is driven off of that west curb line. Setting that curb line is essential in order to go forward with changes to our building code that is driven off of the west right-of-way and the west curb of McCullough. In addition, Andres mentioned there are studies that show that the narrower the space is for which traffic travels then the slower it intends to travel. If we change the feel of the roadway we can affect the speed at which people travel through.

Sharon Plant stated I think part of this recommendation would be a reduction of the speed limit.

Councilman Hornberger stated another benefit of that is we want people to slow down to see what businesses we have on McCullough.

Update on consolidation of the EDC records and projects; take possible action

City Manager DeLeon stated the list that I received that was incomplete I now have all the documents. The last portion of the documents were delivered last week on September 10, 2015.

Councilwoman Prost stated what I mentioned in the last meeting was that was all these documents were already turned in and that you may not know that you had them, but they were in City Hall. I provided several emails and memos to that effect and I have another document to indicate the exact dates that they were in your possession. The other items were not just 30 there were 300 items in this project and the sheet that supposedly had some items missing only showed 30 and if you look there were 5 documents that were word documents, Bain Medina Bain provided 4 "electronic-only" documents, 3 documents were excel files, 5 documents were in with the MPO 3-ring binder, 2 documents were handouts at meetings, 2 documents were obsolete, 3 were duplicates and Celia indicated she had 6 so when you add all that up then that is the 30.

Councilwoman Prost stated there have been questions that have come up about the UTSA study so I am handing out a sheet about that and give an overview because there appears to be some misinformation about that.

Councilman Hornberger stated there is a lack of information and I have talked with Dennis Martinez and he didn't know everything about this so there is a lot of missing information.

Sharon Plant stated I signed up to speak on this item and I would recommend that Councilwoman Prost go to the October 10th EDC workshop meeting and have EDC look at it and then discuss it at our meeting and this is something that we are going to be talking about so this is something that the Board needs to understand first.

Councilwoman Prost stated I have offered to be a resource and you didn't get a lot of information because it was confidential.

Mayor Farrimond stated we will see what the EDC does at their board meeting and bring it back to Council if necessary.

Consider composition and membership on the Economic Development Corporation; take possible action

Councilman Hornberger stated the Mayor and I discussed this and we decided to put this on the agenda. There have been a lot of problems with getting this project going with EDC and there is a lot of miscommunication and we apparently have a President who doesn't return phone calls, misses meetings which is not conducive to getting things going. We have Andres Andujar who is a great resource and is on the EDC through December and will probably loss him after that. What we need to accomplish as a City and what the EDC needs to accomplish between now and the end of September is something that can be accomplished as long as there is a smooth flow of information and an ability to work together and I don't see that in the current President of the EDC. I would move and make a motion to Council to remove Mr. Martinez and to remove Ms. Serrot from the EDC.

Councilman Fry stated do you have any experience in reaching out to Mr. Martinez?

Councilman Hornberger stated yes and I know of others, Andres Andujar and the City Manager.

City Manager DeLeon stated and Ayon Wen-Waldren the Treasurer and I believe Sharon Plant as well.

Councilman Hornberger stated this covers a long period with missed meetings, unreturned phone calls. I believe Mr. Martinez and Ms. Serrot are capable but I don't think they have the dedication and the urgency which is needed.

Councilman Fry stated you mentioned Deb Serrot, were there similar experiences with her as well?

Mayor Farrimond stated when Dennis is not available then Ms. Serrot the Vice President is supposed to be. Dennis has set up 4 different meetings with Celia which he did not attend.

City Manager DeLeon stated Dennis Martinez cancelled two meetings, third one was no response to the request and the fourth one was a no call no show and I left several messages on his phone with no responses back. After I emailed the City Council with my concerns with getting in contact with Mr. Martinez all of the sudden he started answering.

Councilwoman Prost stated I think that Dennis had some health issues and some huge deals going on during that time and I think that it is very hasty to all of the sudden make a decision like this when he has only had a month on the EDC.

Councilman Hornberger stated the problem here is we have messed around with the McCullough Corridor plans and now there is an urgency and we have had a situation for a couple of years from the circle to the railroad tracks where the sidewalks are in desperate need of attention. The main problem that needs to be addressed first is the sidewalks and that is why I said earlier setting the curb on the west side is of importance because at that point Planning & Zoning can go to work and get Council some recommended ordinances that would dictate the size of the sidewalks, placement of the sidewalks back from the curb. All this can be done but we have to set the curb first and this is going to take some time. I have been listening to this since I first got elected to Council and we are no farther advanced now except that we have 50% plans.

Councilwoman Prost stated to get there you have to do an engineering study first, then research on it, then design work and now you have the 50% plans.

Councilman Hornberger stated we need to get these things set in place then we can worry about what you are going to do from east curb to west curb, worry on how you're going to fund it and when you are going to fund it, cut it up in pieces or do it all at once. If a business owner comes along and says I bought these two pieces of property and is fixing to do construction work and there is no building code in place and the one we have now is not what we want. What Andres put in his report to us needs to be done quickly with his help because it is going to take a long time to get all of this done and we need to have leadership at the top of the EDC who is willing to go forward and pay attention and not go around in circles and get it done. I have seen nothing but some plans that architects drew up.

Mayor Farrimond stated I think we could have all of the stripping complete by the first of the year and at that point we will know where the proposed curb is going to go and P&Z will be writing ordinances.

Councilman Hornberger stated EDC has the money to put in a budget to be of service to P&Z right now by engaging consulting to help write the ordinances.

Councilwoman Prost asked are we saying we are changing the plans that are currently drawn? You are saying set the curb.

Mayor Farrimond stated stripe the street to show where the curb is going.

Councilwoman Prost stated based on these plans?

Councilman Hornberger stated yes based on the plans.

Councilman Fry stated I think the point is that you have someone that is not engaged at leadership on the EDC.

Councilwoman Prost stated he is engaged.

Councilman Fry stated that is not what I am hearing. We are all volunteering our time here and my pet peeve is someone who doesn't return phone calls and with communication today it is not difficult to send a text message or send an email and say here is my situation. This is not acceptable behavior by the head of the EDC. Since Andres will be leaving in December are there talented people out there that are available that want to volunteer their time and effort on the EDC?

Mayor Farrimond stated we have received resumes that want to be on this board.

Councilman Hornberger moved to remove Mr. Martinez and remove Ms. Serrot from the EDC. Councilman Fry seconded the motion.

Councilman Hornberger	Aye
Councilman Fry	Aye
Councilman Hornberger	Aye
Councilwoman Prost	Nay

The motion passed.

Councilman McDonald left the meeting at 7:20 p.m.

Consent Items:

- a. Approve Cash Disbursements for August 2015
- b. Approve City Council minutes for August 18, 2015 and August 20, 2015

Councilwoman Prost stated I have a few changes on the August 20th minutes that I will submit to Diane.

Councilman Hornberger moved to accept the consent items with the revisions submitted.

Councilman Fry 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 August 2015;
- (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).

Councilman Hornberger moved to accept the departmental reports as submitted.

Councilman Fry seconded the motion.

The vote in favor of the motion was unanimous.

There was no further business and the meeting was adjourned at 7:24 p.m.

Kenneth Farrimond
Mayor

ATTEST:

Diane Gonzales
City Secretary