

MINUTES
REGULAR MEETING
HELOTES CITY COUNCIL
March 14, 2024

The City of Helotes City Council met for a regular meeting on Thursday, March 14, 2024, at 7:00 p.m. in the City Hall Council Chamber, 12951 Bandera Road, Helotes, Texas. This was an open meeting, subject to the open meeting laws of the State of Texas.

Present: Rich Whitehead, Mayor
Jen Sones
Dave Cato
Cynthia Massey
Matthew Merchant

Absent: Craig Sanders

Staff Present: Marian Mendoza, City Administrator
Celina Perez, City Secretary
Frank Garza, City Attorney
Daniel Rodriguez, Finance Director
Corey Vullo, Public Works Supervisor
Glenn Goolsby, HEDC Executive Director

1. Call to Order.

Mayor Whitehead called the meeting to order at 7:00 p.m. Council Member Merchant led the invocation. Mayor Whitehead led the pledges to the U.S. flag and to the Texas flag.

PUBLIC PRESENTATION:

2. Community presentation by San Antonio Water System (SAWS) on proposed drought rule updates for SAWS customers.

Nathan Riggs, Conservation Project Coordinator, presented proposed changes to the City of San Antonio water conservation ordinance. The proposed changes update watering rules and adopt a non-compliance fee instead of a municipal court citation. SAWS created an outreach website that provides an overview on the proposed changes (www.wateringrules.com). This presentation will be available on the city website.

RECOGNITION:

3. Proclamation presented by Mayor Whitehead to the Sandra Day O'Connor High School Thespian Troupe 5872 in recognition of *Theatre in Our Schools Month*. (Requester)

Mayor Whitehead presented a Proclamation to the Sandra Day O'Connor High School Thespian Troupe 5872, recognizing March as *Theater in Our Schools Month*.

OPEN SESSION:

4. Citizens to be Heard.

Terry Gray voiced concern about tree preservation in the Bricewood Subdivision Unit-5 development and provided before/after photos of the clearing.

Dr. Gene Sprague, the District 6 Member on the Alamo Colleges Board of Trustees, introduced himself as a resident of Helotes for 19 years, spoke about the Alamo community college system, and announced he was running for another board term.

Matt McCrossen spoke in support of the Helotes Visitor and Business Center (Agenda Item No. 16), stating the project fills a critical office space need in the City at a reasonable budget point.

Tammy Pointon spoke about receiving a pre-warrant notice in the mail on an RV code compliance issue; however, the property address listed as having the RV is incorrect. She stated the City is not being a fun small town, nitpicking, and a lot of people on NextDoor are furious about this issue. She also stated publishing the court warrant round-up effort on social media is tacky and found it embarrassing.

James Peterson spoke about receiving an HOA complaint and explained the reasons for replacing the retaining wall on his property (Agenda Item No. 12). He went on to say the entire Iron Horse Canyon community shows signs of right of way encroachment; however, he could not find one instance in meeting minutes when a homeowner had to submit for an Encroachment License Agreement.

CONSENT AGENDA: All items marked with an asterisk (*) on the consent agenda were voted on by one motion. Motion was made by Council Member Merchant, second by Council Member Sones, to approve items 5 through 7 on the consent agenda. Motion to approve carried unanimously by those present.

- 5.* Approval of the minutes of the Regular Meeting dated February 22, 2024. (Staff)**
- 6.* Acceptance of the resignation of Donny Jones from the City of Helotes Board of Adjustment, Place Five. (BOA Member Jones)**
- 7.* Approval of an Ordinance of the City Council of the City of Helotes, Texas, certifying the candidates for Council Member Place 1, Council Member Place 2, and Council Member Place 4 are unopposed in the May 4, 2024 General Election; declaring the unopposed candidates elected to their respective offices; and cancelling said election. (Staff)**

MAYOR'S REPORT:

8. Updates on the following:

- **Get ready for the 57th Annual Helotes Cornyval Parade, A *Corn-stellation Space Invasion*; registration closes Friday, April 5, 2024; parade is on Saturday, May 4, 2024;**
- **Solid waste service provider transition from Republic Services to Frontier Waste Solutions; and**
- **TxDOT improvements.**

Mayor Whitehead announced the parade theme for the 57th Annual Helotes Cornval Parade is *A Corn-stellation Space Invasion*. Registration closes Friday, April 5 (entry form available on the city website). The parade is Saturday, May 4, starting at 10 a.m. Next, collection by Frontier Waste began on March 1, and every property received a door hanger. Bulk and brush collection is still on even months, but pick up was divided into zones over four weeks (find your zone and assigned week on the city website). Lastly, the first bill is for four months of service (March – June 2024); future bills will be for three months of service. There were no updates on the S.H. 16 (Bandera Road) project.

ITEMS FOR INDIVIDUAL CONSIDERATION:

9. Discussion of and action on the appointment of Brian McKee to the Board of Adjustment, Place Five, with a term expiring May 2025. (Mayor Whitehead)

Motion was made by Council Member Merchant, second by Council Member Cato, to discuss and act on this item as written.

Motion to approve the item as written carried unanimously by those present.

10. Discussion of and action on the Fiscal Year Ending (FYE) 2023 Annual Comprehensive Financial Report (ACFR) for the City of Helotes and the City of Helotes Economic Development Corporation (HEDC). (Armstrong, Vaughan, & Associates, P.C., City Auditor)

Motion was made by Council Member Merchant, second by Council Member Cato, to discuss and act on this item as written.

Kim Roach, CPA with Armstrong, Vaughan, & Associates, P.C., presented an overview of the Fiscal Year Ending 2023 Audit. Kim reported the audit received a “clean” or unmodified opinion, which is the best opinion an audit can receive. An unmodified opinion states that the financial statements are presented fairly and in conformity with the Governmental Accounting Standards Board (GASB). There were a couple recommendations for improvement, and those were discussed with City management. It was pointed out that the FYE 2022 Audit was submitted to the Government Finance Officers Association (GFOA) and the City received its third Certificate of Achievement for Excellence in Financial Reporting Award. City management intends to submit the FYE 2023 Audit to the GFOA as well. Other highlights include general fund revenue increase due to sales tax, property tax, grant funding (ARPA/Dispatch), and investment income. All departments were under budget in expenditures. In closing, the City's FYE 2023 ending fund balance increased to \$8.6 million (or the equivalent of 14.9 months) and the EDC balance increased to \$3.8 million.

Mayor Whitehead explained the 14.9 months was a snapshot as of September 30, 2023. In FYE 2024, the general fund balance will reduce due to the additional police officers and positions coming off the ARPA grant. Thereafter, the City's general fund balance will be at an operating period of 9-10 months.

Motion to approve this item as written carried unanimously by those present.

- 11. Discussion of and action on an Ordinance of the City Council of the City of Helotes, Texas, authorizing Amendment No. 2 to the FYE 2024 Budget by transferring \$300,000.00 from the *Unreserved Fund Balance* to the *Capital Replacement Fund Budget* to increase the construction budget for the Public Works Storage Building from \$400,000.00 to \$700,00.00. (Staff)**

Motion was made by Council Member Massey, second by Council Member Merchant, to discuss and act on this item as written.

Motion to approve the item as written carried unanimously by those present.

- 12. Discussion of and action on a Resolution of the City Council of the City of Helotes, Texas, establishing a Right-of-Way Encroachment License Agreement per Municipal Code of Ordinances Chapter 74, Article II *Encroachment License*, granting a request by James and Nora Peterson for the encroachment of a retaining wall into a portion of the city right-of-way for property address 13407 Pecan Stable, Helotes, Texas 78023, identified as BCAD Property ID No. 1182725; and for an Agreement term of ten years, beginning on the effective date. (Applicant)**

Motion was made by Council Member Merchant, second by Council Member Massey, to discuss and act on this item as written.

City Staff explained when an Applicant performs maintenance to an existing non-compliant structure, it triggers coming into compliance with current building requirements and or Code. Frank Garza, City Attorney, stated the City has an Ordinance in place on right-of-way encroachment, and Staff has to follow it. Mayor Whitehead stated when it comes down to it, the Applicant had to move the retaining wall out of the right-of-way during the repairs or apply for an Encroachment License Agreement.

Motion to amend was made by Council Member Merchant to approve this item for a term of thirty years and refund the application fee (\$182.10) to James and Nora Peterson. The amended motion was seconded by Council Member Massey.

Amended motion carried unanimously by those present.

- 13. Discussion of and action on the nomination of Austin Lane to fill the vacancy of Place Two on the City of Helotes Economic Development Corporation (HEDC) Board of Directors, pursuant to Amendment No. 3 of the HEDC Bylaws, Article Two Board of Directors, Section 2.1 (c) and (e); and for said nominee to serve the remainder of the term expiring September 30, 2024. (HEDC Board of Directors)**

Motion was made by Council Member Massey, second by Council Member Sones, to discuss and act on this item as written.

Glenn Goolsby, EDC Executive Director, informed the City Council that Austin Lane had a prior engagement and could not attend the meeting. Mayor Whitehead stated Austin Lane is the Chamber Chairman, and a City rule was adopted prohibiting an individual from serving on both the EDC Board of Directors and the Helotes Area Chamber of Commerce Board of Directors. Council Member Massey shared that candidates should be impartial, and it's not a good thing to be the Chamber Chairman and an EDC Board Director.

Motion to amend was made by Council Member Massey to approve this item, with the condition that Austin Lane resign as the Chamber Chairman within sixty days. The amended motion was seconded by Council Member Sones.

Amended motion carried unanimously by those present.

- 14. Discussion of and action on a Resolution of the City Council of the City of Helotes, Texas, authorizing the City of Helotes Economic Development Corporation (HEDC) to award funding from the FYE 2024 Retailer and Commercial Tenant Improvement Incentive Grant Program to H2O, LLC, a new filtered water store located at 12340 Bandera Road, Ste. 101, Helotes, Texas 78023; and approving a grant amount not to exceed \$20,000.00. (HEDC Board of Directors)**

Motion was made by Council Member Merchant, second by Council Member Sones, to discuss and act on this item as written.

Motion to approve the item as written carried unanimously by those present.

- 15. Discussion of and action on a Resolution of the City Council of the City of Helotes, Texas, authorizing the City of Helotes Economic Development Corporation (HEDC) to award funding from the FYE 2024 Retailer and Commercial Tenant Improvement Incentive Grant Program to Lone Star BBQ Pro Shop, LLC, a new supply shop located at 14108 Bandera Road, Ste. 103, Helotes, Texas 78023; and approving a grant amount not to exceed \$20,000.00. (HEDC Board of Directors)**

Motion was made by Council Member Merchant, second by Council Member Cato, to discuss and act on this item as written.

Motion to approve the item as written carried unanimously by those present.

16. Discussion of and action on a Resolution of the City Council of the City of Helotes, Texas, approving Amendment No. 1 to increase the renovation budget from \$250,000.00 to \$300,000.00 for the development of the Helotes Visitor and Business Center by the Helotes Economic Development Corporation (HEDC). (HEDC Board of Directors)

Motion was made by Council Member Massey, second by Council Member Cato, to discuss and act on this item as written.

Council Member Massey informed the City Council that an executive meeting was held with EDC leadership, the Mayor, Council Member Sanders, and herself to review analytics and the proposed break-even plan for the Helotes Visitor and Business Center. After the meeting, Council Member Massey believes the EDC should reduce the cost of internet services. Mayor Whitehead shared comments submitted by Council Member Sanders, stating he felt more confident that the EDC plan is sustainable and the break-even point is somewhere between 10-14 years. His only reservation was unnecessarily paying for high-speed fiber internet and the glitzy façade to achieve their business incubator objectives. He believes a more conservative approach is needed to save costs up front, yet still allow the Visitor and Business Center to open.

Glenn Goolsby, EDC Executive Director, stated he is not an IT professional and was not opposed to re-evaluating the internet needs of the Visitor and Business Center.

Motion to approve the item as written carried unanimously by those present.

Mayor Whitehead read the caption below and adjourned into closed session at 9:40 p.m.

CLOSED SESSION:

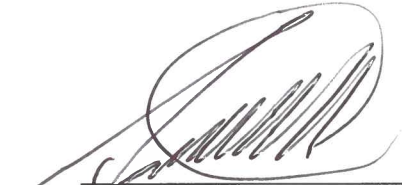
17. Closed Session in accordance with Texas Government Code §551.087 *Deliberation Regarding Economic Development Negotiations* and §551.074 *Personnel Matters*. In addition to the matters listed below, any matter scheduled for Open Session may be discussed in Closed Session, as appropriate and authorized by law:

- **§551.087 *Deliberation Regarding Economic Development Negotiations* with respect to an annexation and development agreement related to Bricewood Subdivision Unit-6A.**
- **§551.074 *Personnel Matters* to deliberate the performance, evaluation, duties, discipline of a city employee.**

Mayor Whitehead convened the meeting into open session at 10:13 p.m. and announced no action had been taken in closed session.

Adjourn.

With no more business to come before the City Council, Mayor Whitehead adjourned the meeting at 10:13 p.m.



Rich Whitehead, Mayor

ATTEST:



Celina Perez, City Secretary

