

**CITY COUNCIL MEETING OF THE CITY COUNCIL OF THE CITY OF LEON VALLEY,  
TEXAS, SEPTEMBER 7, 2010**

The City Council of the City of Leon Valley, Texas, met on the 7th day of September, 2010 at 6:00 p.m. at the Leon Valley City Council Chambers, at 6400 El Verde Road, Leon Valley, Texas, for the purpose of the following business, to-wit:

**SPECIAL CITY COUNCIL WORKSHOP – 6:00 P.M.**

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**Call to Order**

Mayor Riley called the Special City Council Workshop Meeting to order at 6:00 p.m. and asked that the minutes reflect that the following City Council members were present: Garcia, Reyna, Baldrige, and Dean. Councilman Garcia arrived at 6:33 p.m. Council Member Nelson's absence was excused due to a power outage from tropical storm Hermine.

City Manager Lambert, City Secretary Willman, Community Development Director Flores, Economic Development Director Ryan, Finance Director Wallace, Fire Chief Irwin, HR Director Caldera, Library Director Trent, Police Chief Wallace, City Engineer Sia Sayyadi, and City Insurance Broker Kent Schertzingler were in attendance. Assistant City Attorney Onion arrived at 6:39 p.m.

**Discussion on the Proposed Fiscal Year 2011 Health Insurance**

City Manager Lambert introduced the factors involved in the increase in the proposed FY2011 Health Insurance. He informed the City Council that the question about the requirement to pay Fire and Police for longevity based on the new Census population numbers would be answered by the City Attorney who will be in attendance at the Regular Meeting. Mr. Schertzingler discussed the options of the plan proposals along with some proactive measures that he and HR Director Caldera will be taking to ensure the City's employees understand their role in reducing healthcare costs.

**Adjourn**

Hearing no further business, Mayor Riley adjourned the meeting at 6:52 p.m.

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**REGULAR CITY COUNCIL MEETING - 7:00 P.M.**

**Call to Order and Pledge of Allegiance**

Mayor Riley called the Regular City Council Meeting to order at 7:00 p.m. and asked that the minutes reflect that the following City Council members were present: Garcia, Reyna, Baldrige, and Dean. Council Member Nelson's absence was excused due to a power outage from tropical storm Hermine.

City staff in attendance: City Manager Lambert, City Secretary Willman, City Attorney McKamie, Assistant City Attorney Onion, Community Development Director Flores, Economic Development Director Ryan, Finance Director Wallace, Fire Chief Irwin, HR Director Caldera, City Engineer Sayyadi, and Grant Writer Kathryn Word.

Councilman Dean led the assembly in the Pledge of Allegiance.

**Presentation by the U.S. Drug Enforcement Administration. (Chief Wallace)**

U.S. Drug Enforcement Administration Agent Kelvin Culp presented Chief Wallace with a check

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in the amount of \$159,355.24, which is the City of Leon Valley's portion of seizure/forfeiture funds realized from the City's participation in the HIDTA Task Force. Chief Wallace thanked the Council for its authorization to participate in the program.

### **Citizens to be heard and time for objections to the Consent Agenda**

There were no citizen speakers at this time.

Council Member Baldrige asked that the minutes of the Special City Council Workshop of August 17, 2010 and the Regular Council Meeting of August 17, 2010, Consent Agenda Item 4 be removed for separate consideration.

Motion by Councilman Reyna and second by Council Member Baldrige for the approval of Consent Agenda Items 5 – 8. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announced the motions carried; Agenda Items 5-8 were approved.

### **Consent Agenda**

4. **Consider Approval of the Minutes of the Special City Council Workshop of August 17, 2010 and the Regular Council Meeting of August 17, 2010. (Willman)**  
Motion by Council Member Baldrige and second by Councilman Reyna to postpone the minutes until the next City Council Meeting on September 21 to allow for additional review before adoption. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announced the motion for postponement carried.
5. **Consider Approval of the Minutes of the Special City Council Workshop of August 30, 2010. (Willman).**
6. **Consider Action on M&C # 09-01-10 with attached Ordinance - a request to Amend the FY2010 Budget to Complete the Leon Valley Community Center Improvements as Authorized by the City Council on August 3, 2010. (Ryan)**
7. **Consider Action on M&C # 09-02-10 with attached Ordinance – a request for the Approval of a Budget Adjustment to the General Fund for Professional Services in the Community Development Department. (Flores)**
8. **Consider Committee, Commission, and Board Appointments by Ordinance. (Mayor Riley)**
  - A. Appoint Elizabeth Dalton and Blaise Fru as Alternate Members to Park Commission.
  - B. Appoint Linda Geraghty as Third Alternate Member to the Zoning Commission.
  - C. Appoint Erica Almaraz to the Earthwise Living Committee and Trade and Market Days Committee.

### **Regular Agenda**

9. **Consider Action on M&C # 09-03-10 – a request to Award the Bid for the Employee Health Insurance Program following a Presentation from City's Insurance Agent of Record. (Mullen Pension and Benefits Group Insurance Broker Schertzinger/Caldera)**

City Manager Lambert introduced this item indicating additional sources of funding for the Proposed Budgets for Fiscal Year 2011 including health insurance benefits for the City's employees. Additional sources of funding may include: an additional Police Dispatch contract, longevity pay, Trade and Market Days, and dipping into the City's Reserve Fund.

Al Baldrige, 6368 Parsley Hill, addressed the City Council regarding a potential source of funding for the City Health Insurance Benefits. Mr. Baldrige summarized the various

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activities and efforts that the City and City staff have done to try to keep Trade and Market Days effective. He recommended that Trade and Market Days be cancelled until it can be set up near the new Town Center. In the interim, the \$21,000 set in the budget for Trade and Market Days could be used as a token gesture to ensure the City's employees they're cared for through funding of health care insurance benefits.

Al Uvietta, 6923 Sunlight Drive, addressed the City Council regarding support for the Employees Health Insurance Program and the need to take care of the City's employees, indicating that it takes skilled people to run an organization.

A motion was made by Council Member Baldrige and seconded by Councilman Dean to for approval of the Blue Cross/Blue Shield RM20A plan for the Fiscal Year 2011 Budget. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announced the motion carried.

**10. Consider Action on M&C # 09-04-10 with Attached Ordinance - a Request for Approval and Adoption on the Proposed Budgets for Fiscal Year 2011 (October 1, 2010 – September 30, 2011). (Lambert)**

City Manager Lambert briefly summarized the proposed budget options. Councilman Reyna asked about the Economic Development Policy parameters statement he had requested to be developed to work in concert with and be adopted with the Fiscal Year 2010-2011 Budget. He indicated he would not vote in favor of adopting the Proposed Budget until the Policy was completed and brought before Council for consideration and adoption. City Manager Lambert indicated the Policy will be considered by the Leon Valley Economic Development Corporation Board at its next meeting before being brought to Council for consideration.

Following spirited discussion by Council regarding attaching the approval of the Proposed Budget to the development and delivery of the Economic Development Policy parameters statement, Councilman Reyna was assured that the Economic Development Policy would be brought to the Council for consideration and adoption.

There was direction to the City Manager regarding returning at a later date with the appropriate budget adjustment to fund the increase in health insurance for Fiscal Year 2011.

A motion was made by Councilman Reyna and seconded by Councilman Dean to adopt the Fiscal Year 2011 Budget as presented. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announced the motion carried.

**11. Consider Action on M&C # 09-05-10 with Attached Ordinance – a request to Ratify the FY2011 Budget that will Raise More Total Property Taxes than Last Year's Budget by \$7,931 or .2655% and of that Amount \$57,703 is Tax Revenue to be Raised from New Property Added to the Roll This Year. (Lambert)**

City Manager Lambert briefly explained the purpose of this item as a statutory requirement that is part of the budgetary process.

A motion was made by Councilman Dean and seconded by Council Member Baldrige to

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approve the attached Ordinance ratifying the FY2011 Budget. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announced the motion carried.

**12. Consider Action on M&C # 09-06-10 with Attached Ordinance, Setting the 2010 Tax Rate for the Maintenance and Operation Portion of the Tax Rate at \$.464029 for a Total Tax Rate of \$.527400. (Lambert) (Record Vote)**

A motion was made by Councilman Reyna and seconded by Councilman Garcia to approve the attached Ordinance setting the 2010 Tax Rate for the Maintenance and Operation Portion of the Tax Rate at \$.464029 for a Total Tax Rate of \$.527400. Record Vote: Garcia-Yes, Reyna-Aye, Baldrige-Yes, and Dean-Yes. Voting against: None. Mayor Riley announced the motion carried.

**13. Consider Action on M&C # 09-07-10 with Attached Ordinance, Setting the 2010 Tax Rate for the Interest and Sinking Portion of the Tax Rate at \$.063371 for a Total Tax Rate for the Fiscal Year 2011 Budget for the Interest and Sinking Fund. (Lambert) (Record Vote)**

A motion was made by Councilman Reyna and seconded by Councilman Dean to approve the attached Ordinance setting the 2010 Tax Rate for the Interest and Sinking Portion of the Tax Rate at \$.063371 for a Total Tax Rate for the Fiscal Year 2011 Budget for the Interest and Sinking Fund. Record Vote: Garcia-Yes, Reyna-Aye, Baldrige-Yes, and Dean-Yes. Voting against: None. Mayor Riley announced the motion carried.

**14. Consider Action on M&C # 09-08-10 with attached Resolution – a request to Approve Application for Edwards Aquifer Authority Conservation Grant Program. (Word)**

Grant Writer Word briefed the City Council regarding the application for the proposed Grant Program. The Council questioned if there would potential savings demonstrated by not using recycled water. The City Manager indicated the City uses recycled or purple water to irrigate the City's park. There would be some savings demonstrated as an offset to the City's match. The Council asked how many gallons of water the cistern would collect. The Council would like to know how much money will the City collect from the partners towards the \$14,000 grant match and how much irrigation the collected water will provide.

A motion was made by Councilman Reyna and seconded by Council Member Baldrige to postpone action on this item until the next regular City Council meeting to allow Ms. Word to return with additional information as requested by Council. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announced the motion for postponement carried.

Motion by Councilman Reyna and second by Councilman Garcia to suspend the regular order of business to take up Agenda Item 16 as Agenda Item 15 was inadvertently overlooked during the reading of the agenda item statement. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announced the motion carried.

**15. Consider Action on a request to Amend the Existing Contract with SBM Regarding the EECBG work through Bexar County; Authorizing the City Manager to Negotiate Any and All Matters Pursuant to the Work Required on the Leon Valley Community**

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**Center in an Amount Not to Exceed \$150,000. (Sia Sayyadi)**

Mr. Sayyadi informed the City Council that Bexar County was supposed to handle the money for the EECBG work on the Leon Valley Community Center. At the last minute, Bexar County discovered they had no contractor to do the job. Bexar County has to spend the money and do as much as possible. Bexar County will pay for the labor portion; the contractor is working with the City of Leon Valley. We have to get 3 bids. We can spend \$40,225 as an addition to the existing contract towards painting the façade. It is up to the City Council to determine how the money is spent. The City of Leon Valley will be reimbursed through Bexar County. Another way is that the City can go through BuyBoard or TexMas. We're on schedule with the work.

Motion by Council Member Baldrige and second by Councilman Garcia to amend the existing contract with SBM. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announced the motion carried.

- 16. Consider Action on M&C # 09-09-10 with Attached Ordinance - An Ordinance of the City Council of the City of Leon Valley, Texas ("City") Approving a Chapter 380 Economic Development Agreement Between the City, and Leon Valley Town Center for Property and Sales Tax Grants for the Construction of Property Improvements and a Mixed-Use Commercial Shopping Center on Approximately 5.6 Acres of Real Property Located Near the 6700 Block of Poss Road and the 6400 Block of Grissom Road, [Lots 67, 68, and 70-73, CB 5784, Leon Valley Addition, Glass Service Subdivision]; Incorporating Recitals; Declaring a Public Purpose; Authorizing the City Manager to Take all Necessary Steps to Implement the Provisions of this Ordinance; Providing for Severability; Repealing All Ordinances in Conflict; and Setting an Effective Date. (Lambert)**

City Manager Lambert briefed the City Council. He summarized the progress on this item. Several months earlier the Mayor appointed a team to meet with Larry Little and to negotiate a proposed agreement regarding tax abatement, regarding sales tax rebate, and regarding any other development incentives that he would like to acquire from the City of Leon Valley. Mr. Little informed the team that the purpose of the project was to help his project economically. He informed the team that he was having problems acquiring funding from banks. The banks have been very reluctant to issue loans. He intended to use the proposed 380 agreement as collateral for a loan to finish the project. The team met with Mr. Little for many months. This is the end product as prepared by Assistant City Attorney Frank Onion. The team agreed that they would consider recommending to the City Council a tax abatement agreement would return to Mr. Little 50 percent of the property tax paid on that property for 15 years; a sales tax rebate that would return to Mr. Little 50 percent of all the sales tax collected on that property for 15 years; and a rebate of 22 percent of any development fees that Mr. Little pays on the property. Research on the 380 Agreement would allow all of the above rebates/tax abatements to be used. Mr. Onion explained that the 380 Agreement is much more flexible, for periods longer than 10 years, and allows city sales tax and property tax to be granted to Mr. Little even though the restaurants and businesses generate the sales tax. It takes quite a lengthy document which he can submit to the bank. Mr. Little is putting the responsibility on the City to come up with an agreement so he can present it to his bankers. Mr. Onion indicated that Mr. Little is out of the continental U.S. and has not had an opportunity to provide the City with his final comments

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or review the 380 Agreement. However, staff wanted to bring back the framework of the 380 Agreement for the Council's review.

Mr. Little has to provide documentation of the improvements in a particular exhibit the list of the improvements he is going to do for the property. This will not take effect if the development never gets built because he only gets sales tax grants generated on the property. Mr. Little will have to submit a confidentiality sales tax report that he would be responsible for presenting to the City before he gets any money back.

Motion by Councilman Reyna and second by Councilman Garcia to postpone action on this item until the next regularly scheduled City Council Meeting. Voting in favor: Garcia, Reyna, Baldrige, and Dean. Voting against: None. Mayor Riley announce the motion for postponement carried.

### **Discussion Agenda**

#### **17. City Manager's Report (Lambert)**

- A. Report of August 30 Meeting with Representatives Clay Smith and Mario Medina of the Texas Department of Transportation San Antonio District. Mr. Lambert summarized the special called workshop meeting of August 30 with TxDOT representatives including an experimental operational plan to improve traffic flow on Bandera Road. The proposed operational plan will be brought before the City Council before implementation.
- B. Report of Meeting with CPS CEO Doyle Beneby. Mr. Lambert summarized the results of the meeting with Mr. Beneby as CPS being willing to entertain an application for use of the CIED funds estimated to be in an amount of \$1.4 or \$1.5 million. The application would be worked through Grant Writer Kathryn Word.

**18. Citizens to be heard.** Mr. Al Baldrige, 6368 Parsley Hill, addressed the Council reminding those in attendance to fly their flags and use yellow ribbons in observance of 9-1-1, Patriot Day, and those who are serving in the military.

#### **19. Announcements by Council Members and Mayor.**

Community Events (Mayor Riley). Mayor Riley announced the upcoming Grandparents Day Concert, the Patriot Day Event, the Rabies Vaccination Clinic, the start of the Fall Brush-up, and the AIA-SDAT upcoming event. Council Member Baldrige announced that the Leon Valley Historical Society will be holding its Annual Fiesta on Saturday, October 16 the Leon Valley Conference Center and that she would have tickets at the next City Council Meeting. Councilman Reyna announced the Schertzfest and the Water Symposium in which he will be a participant inviting Council Members to attend the Water Symposium.

### **Executive Session Agenda**

**20.** The Leon Valley City Council convened into Executive Session at 8:45 p.m. pursuant to Sections 551.087 and 551.072 of the Texas Government Code.

A. The Leon Valley City Council convened into Executive Session pursuant to Section 551.087, deliberation regarding Economic Development Negotiations including (1) discussion or deliberation regarding commercial or financial information that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; OR (2) deliberation of a financial or other incentive to a business prospect described in (1) above – Consider Request for Economic Development Assistant for the Barcelona Lofts Development, located at 6201 Grissom Road, Leon Valley, Bexar County Texas.

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B. The Leon Valley City Council convened into Executive Session pursuant to Section 551.072, deliberation regarding the purchase, exchange, lease, or value of real property – Leon Valley Public Library Annex.

The City Council reconvened in Regular Open Session at 9:54 p.m. No action was taken as a result of either Executive Session Section 551.087 deliberation or Section 551.072 deliberation.

21. **Adjourn.** Motion by Councilman Dean and second by Council Member Baldrige to adjourn at 9:54 p.m.

Chris Riley  
Mayor

ATTEST:

Janie Willman  
City Secretary