

The Regular Council Meeting of May 26, 2015 was called to order at 6:32 p.m.

MAYOR

Ron Reinhard

COUNCILMEMBERS

Don Nettle
Jennifer Nottingham - Absent
Mitch Thornton
Lynn Tiner
Lou Hoffman

OTHERS

Shannan Kinsley
Chief David Bejar
Chris Mikel
Brenda Reinhard
Don Reddout
Gigi Duke
Freda Hoffman
Susan Beavin
Lorna Main
Shawn Main
Steve Cook
Kathleen McCloskey
Ed Scharf
Madeline McCloskey
Jeff English

Mayor Reinhard declared a quorum. He stated Councilmember Nottingham would not be present.

APPROVAL OF MINUTES

The minutes of the April 28, 2015 Regular Council Meeting were reviewed. The motion to accept the minutes as written was made by Councilmember Tiner, seconded by Councilmember Nettle and passed with 3 YES and 1 ABSTAINING by Councilmember Hoffman as he was not on Council at that time.

The minutes of the May 12, 2015 Special Council Meeting were reviewed. The motion to accept the minutes as written was made by Councilmember Thornton, seconded by Councilmember Tiner and passed with 3 YES and 1 ABSTAINING by Councilmember Hoffman as he was not on Council at that time.

PRESENTATIONS BY CITIZENS AND VISITORS

Madeline McCloskey stated she joined Laurie Hawkins and Matt Galvan in the creek this weekend. She stated Oak Wilt is moving this way along Scenic Loop Road. We knew it eventually would. It's a danger and she's not sure what the City wants to do. Matt Galvan has also documented other diseases. One thought is trenching to stop the disease from spreading through the roots. They're not 100% positive trenching will stop the Oak Wilt but it would help. She stated it's eventually going to affect all of us.

MAYOR ANNOUNCEMENTS/FINANCIAL REPORTS

Mayor Reinhard stated he hoped Jeff Waldrop could make it to the meeting to thank him for his service on Council. City Council has signed his name plate and he was hoping to present it to him with gratitude. Mayor Reinhard welcomed Lou Hoffman to Council and thanked him for serving. He stated Lou Hoffman filed for Position No. 3 and the position was uncontested. Mayor Reinhard reviewed the financials. He stated we're about 60% through the year. We've received 93% of income and most expenses are below the 60% mark. Financially the City is doing well and we will have more income/expenses for the year to even it out.

COUNCIL/STAFF ANNOUNCEMENTS

Mayor Reinhard stated Councilmember Nottingham is not present to report on Scenic Loop~Boerne Stage Alliance or WIAC. He stated there's nothing new to report on Madla Park. He and Brenda did walk it recently and there were many people out there. It looks really good.

POLICE DEPARTMENT ACTIVITY REPORT

Chief Bejar reviewed the April 2015 Monthly Activity Report. There were 88 calls for service, 770 hours worked,

4578 miles driven, 22 summons issued, 14 warnings issued and 2 arrests. Chief Bejar introduced new Reserve Officer Tim Sagor. Mr. Sagor is retired from San Antonio Police Department and has been teaching at San Antonio College Law Enforcement Academy. He will be working on Sundays and will be a good addition to the department. Council welcomed Tim Sagor and thanked him for his service.

PUBLIC WORKS ANNOUNCEMENTS

Chris Mikel reviewed the April 2015 Monthly Activity Report. Public Works continues to work on tree trimming, mowing/weedeating, road work, animal control and regular upkeep of the City. He stated they trimmed many trees that were damaged by the house that came through the City. Chris Mikel stated he hired Damon Swisher for the part-time Public Works position. He hopes to get things done now that required two people for safety reasons. Mayor Reinhard stated the City Engineer is working on the street study to evaluate the roads and prioritize the repairs/improvements. Money was put in the budget this year for this and we hope to get something back soon.

GFU UTILITY ANNOUNCEMENTS

Jeff English stated they have 215 new meters as of today. The water wells are safely out of Stage 1 Restrictions. He stated please continue to conserve as the water can go as quick as it came. Jeff English stated on the Agenda this evening is an ordinance granting a gas franchise with the City of Fair Oaks Ranch and one with the City of Leon Valley. The respective cities pass their rates for gas franchise and GFU collects it directly from the customer. The franchise fee is then paid back to the City by GFU. The ordinances were reviewed by TML and the City Attorney and he recommends Councils approval. Jeff English stated the utility is stable with 32 employees. The revenue is excellent at this point and thanked Council for attending the Annual Meeting.

FIRE DEPARTMENT REPORT

Don Reddout stated there were 7 runs in the City for April 2015 - 2 EMS related and 5 were anything other than medical. The response time was 1.8 with 2.4 personnel.

NEW BUSINESS:

1. DISCUSS AND ACT ON THE CITY OF GREY FOREST, TEXAS ANNUAL FINANCIAL REPORT WITH SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014

Steve Cook presented to Council the Annual Financial Report for the year ended September 30, 2014. Steve Cook stated the Management Letter is an integral part of an audit performed in accordance with the Government Auditing Standards. He stated in planning and performing the audit of the financial statements for the year ended September 30, 2014, he considered the City's internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing his opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, he does not express an opinion on the effectiveness of the City's internal control. During his audit, he did not identify any deficiencies in internal control that he considers to be material weaknesses however, material weaknesses may exist that he hasn't identified. As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, he performed tests of its compliance with certain provisions which could have a direct and material effect on the determination of financial statement amounts. The results of his tests disclosed he found no instances of noncompliance or other matters that are required to be reported under the Government Auditing Standards. Steve Cook stated the purpose of this report is solely to describe the scope of his testing of internal control and compliance and the results of that testing. During his audit, he did not become aware of any opportunities for strengthening internal controls and operating efficiency. Steve Cook stated the City's internal control and procedures are as good as you can expect for such a small operation. Most big decisions were discussed by Council and are noted in the minutes. The City operates and budgets on a cash basis. The total assets grew and liability went down from 2013 to 2014. The net cash position

improved over the past year. The City had an active Municipal Court which increased income that wasn't expected or budgeted. Expenses were down from 2013 to 2014. The water bond will be paid off this year. Steve Cook stated these are just some of the financial highlights. The City is in a good financial position and the assets are increasing which is what you want. Steve Cook stated the City has good internal controls and encourages Council continue to be fiduciary responsible.

2. DISCUSS AND ACT ON ORDINANCE NO. 211 GRANTING TO GREY FOREST UTILITIES, A NON-EXCLUSIVE NATURAL GAS FRANCHISE, IN THE FAIR OAKS RANCH, TEXAS AREA AND ITS BUSINESSES AND RESIDENTS

Mayor Reinhard stated before Council is an Ordinance Granting a Natural Gas Franchise with Fair Oaks Ranch. As Jeff English previously explained, the Mayor and City Council of the respective cities determine the rates for the gas franchise. The franchise fee is collected by GFU through the gas bill and returned to the City. The ordinance was reviewed by legal and the Board of Trustee's recommend Councils approval. The motion to approve and pass Ordinance No. 211 was made by Councilmember Thornton, seconded by Councilmember Hoffman and passed unanimously.

3. DISCUSS AND ACT ON ORDINANCE NO. 212 GRANTING TO GREY FOREST UTILITIES, A NON-EXCLUSIVE NATURAL GAS FRANCHISE, IN THE LEON VALLEY, TEXAS AREA AND ITS BUSINESSES AND RESIDENTS

Mayor Reinhard stated before Council is an Ordinance Granting a Natural Gas Franchise with Leon Valley. He stated you will see the rates are different in the two ordinances. Again, these are set by the Mayor and City Council in each respective City. The motion to accept and pass Ordinance No. 212 was made by Councilmember Thornton, seconded by Councilmember Tiner and passed unanimously.

4. DISCUSS AND ACT ON COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM COOPERATIVE AGREEMENT BETWEEN BEXAR COUNTY AND THE CITY OF GREY FOREST FOR A THREE-YEAR QUALIFICATION PERIOD OF FISCAL YEARS 2016-2018

Mayor Reinhard stated Bexar County has started its requalification process as an Urban County for continued participation in the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), HOME and ESG Programs for the fiscal years 2016-2018. As a participating city, it gives the city access to services such as improvements, public service, housing, etc. Grey Forest has received funding in the past for housing rehabilitation and water improvements. It does not cost to participate and there's no risk to the City. It's a three year Cooperative Agreement and allows Bexar County to use us in their numbers. Most of the Suburban Cities, if not all, participate in the partnership. The motion to accept and authorize the Mayor to sign the Cooperative Agreement was made by Councilmember Nettle, seconded by Councilmember Thornton and passed unanimously.

5. DISCUSS AND ACT ON SELECTION OF A MAYOR PRO TEM IN THE ABSENCE OF THE MAYOR FOR THE CITY OF GREY FOREST, TEXAS

Mayor Reinhard stated for several years, the position of Mayor Pro Tem was held by Councilmember Jeff Waldrop. Councilmember Waldrop's position was up for election earlier this month and he didn't file for office making the position of Mayor Pro Tem vacant. The position of Mayor Pro Tem acts in the Mayor's absence. Typically, it's to run a meeting if the Mayor's not present or to act as a second signature on checks when the Mayor is not available. Mayor Reinhard stated he would like Council to consider Councilmember Thornton for the position. He hasn't asked Councilmember Thornton if he'd be interested in the position but he's ran some meetings in the Mayor's absence and has been very active at City Hall. Councilmember Thornton stated he would be willing to hold the position. The motion to select Councilmember Thornton as Mayor Pro Tem was made by Councilmember Hoffman, seconded by Councilmember Nettle and passed with 3 YES and 1 ABSTAINING by Councilmember Thornton.

OLD BUSINESS:

Mayor Reinhard stated if Council doesn't object, he would like to address Agenda Item No. 6 last as it will be more time consuming. There was no objection.

7. DISCUSS CURRENT STATUS OF CITY AND SLPC PROPOSALS RELATED TO SLPC PROPERTY AND LONG TERM PLANS

Mayor Reinhard stated SLPC had a Membership Meeting to see if the membership was in favor of a relationship with the City. As previously discussed, the voting process was going to be two steps. The first step was a vote of confidence that membership is interested in a relationship. This vote was held and the membership indicated they are favorable of a relationship. The vote was to say yes, they are interested in a relationship before the City moves forward and spends a lot of money. Now that the City has received the favorable vote to move forward, the City will begin determining what the cost will be to make the transfer happen. The City has different responsibilities that a private owner does not have. Mayor Reinhard stated he may ask a couple Councilmember's to work on this. The City needs to determine if they are willing to accept the costs and risks associated with the transfer. There needs to be a plan moving forward. He personally doesn't want to spend a lot of money on surveys and would rather put any money towards the risks. Once the costs and risks are determined, if City Council is willing to accept, stipulations would be outlined and there would need to be a final favorable vote of 2/3 membership to move forward. Mayor Reinhard stated he would like to look at the least expensive way to legally transfer and will try to meet with the City Attorney on this again.

8. REVIEW AND DISCUSS STATUS OF CITY AND EMERGENCY SERVICE DISTRICT 8 DIALOGUES

Councilmember Thornton stated he and Mayor Reinhard had a meeting with Gil Perez to explore the City's options and the possibility of the being voted into the ESD. Gil Perez advised that yes it's possible, but it's a process where our citizens would need to accept being voted into the ESD and then the ESD would have to accept us. The votes would be through an election. At that time, Gil Perez encouraged the City to hold off before exploring any further to see what happens in legislation as there's a bill out there that proposes reducing ESD funding. Councilmember Thornton stated if the bill passed, it would take effect in September but at this time they didn't know how it was going to play out. Mayor Reinhard stated this is not something the City is saying it's going to do. Each year during the budget process, there is lengthy discussion on the Fire Department contract and ESD. There's discussion on the possibility and process if the City wanted to join the ESD. Councilmember Hoffman stated he would like to see a presentation on how the ESD works before the budget process starts so he has a better understanding. The Fire Department Administrator/Treasurer, Don Reddout stated all Fire Department equipment is currently owned by the Grey Forest Area Volunteer Fire Department. If they were to be dissolved, ESD 8 would have rights to one vehicle and everything else would be subject to state law. Council agreed it would be good to have another meeting with the Fire Department Board that they had about a year ago. It's was very informative as to the struggles they are facing. Councilmember Thornton stated he will contact Gil Perez and get a status on the bill in legislation.

6. CONTINUE DISCUSSION AND ACT IF NECESSARY ON REVIEW OF ZONING ORDINANCE NO. 45B

Mayor Reinhard stated City Council has had several Workshops over the past year to review Zoning Ordinance No. 45B. He thinks we're close to being done so it can be sent for legal review. With Councilmember Hoffman being new on City Council, he submitted some suggestions that he proposes revision. Mayor Reinhard reviewed the ordinance. The following changes were noted:

- 1) Section 2, Historical Background - Mayor Reinhard will review the paragraph and see if it needs updating.
- 2) Section 3, Definitions, Fence - Mayor Reinhard will reword the definition.
- 3) Section 3, Definitions, Greenhouse - will reword as suggested by Councilmember Hoffman.
- 4) Section 9, Use of Property, 9.01(6), will reword as suggested by Councilmember Hoffman.

- 5) Section 11, Setbacks, 11.02 - will add the exception that setbacks for a greenhouse be 2 feet, Mayor Reinhard will reword.
- 6) Section 14, Fences and Walls as Fences, 14.01, reword to "Fences and walls must be constructed within the setbacks and require a permit" deleting the remainder of the paragraph.
- 7) Section 15, Temporary Living Quarters, RV'S, Trailers, Tent, 15.02 - delete "with notification made to City Hall" ending the sentence with a period.
- 8) Section 16, Movement and Destruction of Buildings or Portions of Buildings - the word destruction will be changed to "demolition" and add "Movement or demolition permit is valid for three months. Extension for a movement and demolition permit requires a variance and Board of Adjustment approval".
- 9) Section 20, Permits and Enforcement, 20.01 - add "Building permits are valid for a period of one year from the date of issuance. One six month extension may be granted at no additional fee for the same construction project. Extensions beyond this period will require a variance from the Board of Adjustment".

Mayor Reinhard stated the noted changes would be made. A clean copy of the ordinance will be provided to City Council and placed on the next Agenda.

There was no further discussion. Mayor Reinhard adjourned the Regular Council Meeting at 8:57 p.m.

These minutes were written/recorded by Shawna Kinsley.

These minutes were approved as ~~written~~ amended on the 23rd day of June, 2015.

Signed: Ronald G. Reinhard
Ronald G. Reinhard, Mayor