

City of San Antonio



DRAFT Meeting Minutes City Council B Session

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, September 6, 2017

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call and noted the following Councilmembers present:

PRESENT: 11 – Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage, and Perry

1. Staff presentation on the FY 2018 Proposed Budget focusing on, but not limited to, the following City Departments: [Sheryl Sculley, City Manager; Justina Tate, Director, Management and Budget]

A. Airport

Russell Handy stated that the two main objectives of the Aviation Department were to enhance customer experience and provide air service for the community. He noted that the department was supported by an Enterprise Fund comprised of Tenant and Passenger User Fees and Federal Grants. He stated that 8.6 million passengers traveled through the International Airport in 2017 and was expected to grow to 10 million by 2025. He noted the addition of non-stop routes to Toronto, Ontario, San Jose, and Cincinnati, as well as increased service to New Orleans, Washington Dulles, San Diego, Phoenix, Houston Hobby, Guadalajara, Mexico City, and Charlotte. He outlined the Air Service Development Plan and its three phases: (1) Assessment; (2) Visioning and Goal Setting; and (3) Implementation Plan. He described the composition of the Air Service Task Force and its efforts to codify service markets. He noted the opening of a new General Aviation Federal Inspection Station at no cost to the city. He outlined upcoming FY 2018 events such as the NCAA Men’s Basketball Championship, the opening of the Consolidated Rental Car Facility (CONRAC), and the renewal of the Strategic Development Plan for the San Antonio International Airport. He stated that the proposed FY 2018 Budget was \$100.3 million with 44% from Airline Revenues and 56% from Non-Airline Revenues. He noted 13 personnel enhancements at \$561,000 with six positions for custodial and facility maintenance, two positions for fire support, two for Airport Police, one for an Art Curator, and two positions for the Integrated Control Center. He noted that the Capital Improvement Program totaled \$86.4 million.

B. Administration of the City

María Villagómez stated that City Administration was divided into City Support Services, Internal Support Services, and Community Services. She noted that the FY 2018 Budget for City Support Services totaled \$52.7 million with one enhancement in the Office of the City Clerk for Passport Services. She stated that the budget for Internal Support Services totaled \$122.5 million with three enhancements including one in Finance and two in Risk Management. She noted that the Community Services Budget totaled \$2.9 million with five enhancements to improve service on 311 calls and the 311 mobile application to be launched in fall 2018.

C. Revenues

Ben Gorzell provided an overview of the San Antonio Water System and payment levels to the city as well as rate increase projections. He stated that Taxable Property Value Growth for FY 2018 was projected at 8.4% and the Ad Valorem Tax Rate was proposed at the same FY 2017 Rate of \$0.55827 with \$0.34677 for the General Fund and \$0.21150 for the Debt Service Fund. He noted that this would be the 25th consecutive year without a Tax Rate Increase. He outlined the city's current tax exemptions as (1) Over-65; (2) Disabled person; and (3) Over-65 & disabled tax freeze, which totaled \$47 million in property tax relief. He noted that there was an option for a Local Homestead Exemption up to 20% of the value of the home with a minimum of \$5,000 and added that the earliest it could be approved would be July 1, 2018 for implementation in FY 2019. He stated that a Homestead Exemption would cause reductions in both the General Fund and Debt Service Fund and showed the potential impact of a Tax Rate Reduction on the General Fund and the average homestead.

Ms. Villagómez stated that the impact of a Transportation User Fee would be studied during FY 2018. She noted that it could be based on trip generation and land use (parcel size) or be a flat fee for residential and commercial customers. She stated that the fee could be dedicated to street maintenance, markings, signals, signs, and sidewalks.

Councilmember Treviño asked of a General Aviation Federal Inspection Station for Stinson Airport to address potential international demand. Mr. Handy replied that it would require a study with Customs and Border Protection to validate there was enough demand. Councilmember Treviño asked of progress regarding the Howard 500 Aircraft at San Antonio International Airport. Mr. Handy replied that they were seeking a facility capable of performing the necessary restorations to the aircraft. Councilmember Treviño asked of utilized capacity at the airport. Mr. Handy replied that it was dependent on time of day but they were focused on monitoring terminal space capacity.

Councilmember Perry expressed concern with the addition of an Art Curator for the airport. Mr. Handy replied that part of the airport's core competencies was to enhance customer experience and the Art Curator would contribute to this. City Manager Sculley added that previous Council direction asked that the airport experience be tailored to reflect San Antonio's unique culture. Councilmember Perry asked that potential reductions be identified to compensate for a Homestead Exemption.

Councilmember Brockhouse echoed Councilmember Perry's concerns regarding hiring an Art Curator for the airport and asked for a discussion regarding implementation of a 5% Homestead Exemption and \$0.005 tax rate reduction.

Councilmember Shaw asked how the \$1 million General Fund Contingency is utilized. Ms. Villagómez

stated that it was created to absorb mid-year costs that were not part of the original budget and expenses must be authorized by ordinance.

Councilmember Viagran asked of revenues from Transportation Network Companies at the airport. Mr. Handy replied that they had collected \$150,000 for the year to date and would continue to collect those fees despite legislative changes at the State Level. Councilmember Viagran thanked the department for their continued engagement at Stinson Airport and asked of potential cuts in federal funding. Jeff Coyle replied that the FAA Authorization Act was already in extension and would likely be re-extended. Councilmember Viagran expressed concern with implementing an additional Homestead Exemption due to potential service reductions in underserved areas of the city and asked of the proposed SAWS rate increase. Robert Puente, CEO of SAWS, stated that the rate increase was necessary for SAWS to continue operating at its status quo budget and that negating the increase would require SAWS to borrow money and suffer less favorable interest rates. Councilmember Viagran asked of the decrease to the budget for Building and Equipment Services. Ms. Villagómez stated that it was due to less need for equipment replacement. Councilmember Viagran asked of potential adjustments to City Council staff allowances. Mrs. Sculley replied that changes would need to be included in the budget adoption Ordinance.

Councilmember Courage asked of noise abatement efforts at the airports. Mr. Handy stated that an updated Noise Exposure Map was anticipated for completion in 2019 and that neither Stinson nor Port SA currently had capacity to accept redirected commercial flights. Councilmember Courage asked staff to examine the impact of raising SAWS' contribution to the city as well as a Homestead Exemption in a future budget.

Councilmember Pelaez asked how airport staff gauged consumer expectations. Mr. Handy replied that they utilized extensive survey data. Councilmember Pelaez expressed dissatisfaction with Bexar County Appraisal District's process for home valuations and called for Chief Appraiser Michael Amezcua's resignation.

Councilmember Sandoval expressed support for taking time to study new fees before implementation and for holding a discussion regarding the appraisal process.

Councilmember Gonzales expressed support for raising the cap on City Council staff limits and expressed concern with Councilmembers requesting project funds at the same time as tax reductions.

Councilmember Saldaña concurred with Councilmember Gonzales' comments and asked of federal funds to address noise issues from aircraft. Mr. Handy replied that funds were not currently available. Councilmember Saldaña asked that infrastructure needs be addressed before consideration of a tax reduction.

Councilmember Perry asked of delaying approval of the budget to September 21, 2017. Mrs. Sculley stated that the City Council could choose to do so but the Homestead Exemption could not be implemented regardless of the current year's date of approval. Councilmember Perry asked that a tax rate rollback be examined for the FY 2018 Budget and a Homestead Exemption for FY 2019.

Councilmember Courage stated his disagreement with examining a tax rollback for FY 2018.

Councilmember Brockhouse expressed concern that Councilmembers' budget priorities were not addressed until after the budget was already at the formal proposal stage and asked again that a tax

rollback be considered for FY 2018.

Councilmember Viagran stated she was not in support of a tax rollback for FY 2018 because of concerns that it would affect their ability to apply an equity lens.

Councilmember Shaw concurred with Councilmember Viagran and stated that he had ample opportunity to present his district's priorities prior to the budget presentation process.

Councilmember Treviño stated his agreement with Councilmembers Viagran and Shaw and thanked staff for their work on the budget.

Mayor Nirenberg expressed his satisfaction with the city's budgeting process and timeline and cautioned against rollbacks that would affect service delivery. He thanked staff for the presentations.

EXECUTIVE SESSION

The Executive Session was not held. Mayor Nirenberg announced that it would be held the following day at any time during the City Council A Session but no earlier than 9:00 am.

- A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Discuss legal issues related to settlement offers in lawsuits against the City by Jose Samaniego and Arthur Vargas, pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECESSED

Mayor Nirenberg recessed the meeting at 5:22 pm and announced that the meeting would resume at 5:30 pm for Ceremonials.

RECONVENED

Mayor Nirenberg reconvened the meeting at 5:35 pm and addressed the Ceremonial Items.

CEREMONIALS

Mayor Nirenberg presented a Citation to San Antonio Water System (SAWS) Employees Robert Herrera and Joanna Trevino for their heroic efforts. It was noted that these SAWS Employees were caught in a traffic jam caused by an accident involving two trucks. One of the trucks had caught on fire and a man was trapped inside. It was the quick thinking of the SAWS Employees to use the potable water on board their truck to extinguish the fire until it was completely out and the Fire Department was on hand.

Mayor Nirenberg presented Official Congratulations to Pharmacist Christopher Alvarado, graduate of the UIW School of Pharmacy, for being the 2017 recipient of the "Bowl of Hygeia Award" for the State of Texas. It was noted that the American Pharmacists Association Foundation and the National Alliance of State Pharmacy Associations present the award exemplifying the values depicted by the Bowl of Hygeia symbol: wisdom, healing, and serving mankind. It was also noted that Mr. Alvarado is a

Pharmacist at Oakdell Pharmacies and joins an elite group of individuals who have demonstrated the value and importance of community service and leadership with the profession.

PUBLIC HEARING

City Clerk Vacek read the caption for Item 2:

2. Second Public Hearings on the City's 2017 Proposed Ad Valorem Tax Rate for the FY 2018 Proposed Budget and the FY 2018 Proposed Budget. [Sheryl Sculley, City Manager; Justina Tate, Director, Management & Budget]

Mayor Nirenberg opened the Second Combined FY 2018 Budget & 2017 Tax Rate Public Hearing.

María Villagómez presented an overview of the proposed FY 2018 totaling \$2.7 billion with \$1.19 billion for the General Fund, \$639 million for the Capital Budget, and \$858 million in Restricted Funds. She stated that the budget priorities were: (1) No property tax rate increase; (2) Streets, Sidewalks, and Transportation; (3) Public Safety increases; (4) Additional funding for Neighborhoods; (5) SA Tomorrow; and (6) Increasing the civilian entry wage. She noted that the city received approximately 22% of the property tax bill and provided \$47 million annually in homestead exemptions and frozen city tax payments for seniors and disabled residents. She stated that the budget and tax rate would be subject to City Council approval on September 14, 2017.

Mayor Nirenberg called upon the citizens registered to speak.

Terry Burns, Alamo Sierra Club Chair, noted his support for using city funds for a Climate Action Plan and comprehensive disaster pre-planning using an equity lens.

Rothie Hackstadt thanked Councilmember Perry for voting against removing the Confederate Statue in Travis Park. He expressed concern with the appropriation of funds for special City Council projects and asked that funds be dedicated to infrastructure projects.

Nazirite Ruben Flores Perez spoke in favor of the proposed tax rate and asked City Council to consider Biblical guidance in using tax dollars. He asked that funds be directed toward raises for city employees.

Mayor Nirenberg stated that the City Council would vote on the City of San Antonio Property Tax Rate for Tax Year 2017 at its meeting on Thursday, September 14, 2017, which will begin at 9:00 am and will be held in the City Council Chamber, 105 Main Plaza. Having heard all comments from those citizens wishing to be heard, Mayor Nirenberg declared the Second Combined FY 2018 Budget & 2017 Tax Rate Public Hearing closed.

CITIZENS TO BE HEARD

Mayor Nirenberg called upon the citizens registered to speak under Citizens to be Heard.

Richard Brewer spoke in opposition to the City Council's decision to remove the Confederate Statue from Travis Park. He played a recording of the Rebel Yell and asked that the statue be restored to the park.

Kim Endres spoke of civil asset forfeiture by SAPD and noted concerns that due process was not being followed and disproportionately affecting minorities. She asked City Council to increase transparency and investigate the process.

Monica Salyer referenced her appearance during Citizens to be Heard on August 2, 2017 regarding a customer service incident with Parks & Recreation. She expressed concern that her issue had not been addressed with the appropriate personnel.

Liz Franklin referenced Zoning Case #Z2017111 and asked City Council to support Councilmember Shaw's recommendation during the next City Council Meeting. She asked for assistance in funding the "Dig That Jazz on the Hill" Event.

Ruben Martinez spoke in opposition to the privatization or commercialization of the Hays Street Bridge Area. He asked that the city create positions to support community garden and education efforts.

Nazirite Ruben Flores Perez spoke of the Biblical perspective on idols and statues and asked the City Council to grant a 4% raise to city employees.

Antonio Diaz referenced the Resolution recognizing October 12th as Indigenous People's Day in San Antonio and asked the City Council to provide over-street banners to highlight the event.

Rhett Smith spoke in support of Mr. Diaz's request and expressed support for honoring Indigenous Heritage. He asked the City Council to take action regarding veteran mental health.

RECESSED

Mayor Nirenberg announced that the Executive Session would be held the following day after the Business Portion of the Council Meeting. There being no further discussion, Mayor Nirenberg recessed the meeting at 6:46 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK