

# City of San Antonio



## City Council Special Session

No in-person access for this meeting

**Tuesday, September 1, 2020**

**2:00 PM**

**Videoconference**

### **ROLL CALL**

The City Council convened in a Special Session. Acting City Clerk Tina J. Flores took the Roll Call noting a quorum with the following Councilmembers present:

**PRESENT:** 11 - Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry

Once a quorum is established, the City Council shall consider the following:

1. **Staff presentation of the FY 2021 Proposed Budget focusing on, but not limited to, the following City Departments or Initiatives:** [Erik Walsh, City Manager Scott Huizenga, Director, Management and Budget]

#### **A. Employee Healthcare Benefits and Compensation**

Lori Steward reported that the FY 2021 proposed Budget (Budget) supported the mission of the Human Resources Department (HR) to attract, develop, engage, and retain a diverse and skilled workforce committed to providing high quality services to the residents of San Antonio. She reported that services to support the mission included compensation and benefits, training and education, employee orientation and recognition, paid leave, and retirement benefits.

Ms. Steward stated that the FY 2021 proposed Budget for HR was \$174.6 million with the majority (96%) supporting the Employee Benefits Fund which paid for claims for self-funded medical plans. She indicated that the proposed Budget was divided between the General Fund, Employee Benefits Fund, and the Unemployment Compensation Fund. She noted that the proposed General Fund Budget was \$300,000 less this year and supported personnel services and citywide programs such as tuition reimbursement, VIA bus passes, and employee engagement activities. She reported that 74 positions were included in the proposed Budget and there were an additional 38 Employee Relations positions funded by other departments through the shared services model.

Ms. Steward stated that program changes which would result in savings included: 1) Restructuring of the City-sponsored VIA Bus Pass Program; 2) Suspension of the Virgin Pulse Program for one year; 3)

Suspension of the Management Fellow Program for two years; and 4) Elimination of the executive phone allowance. She noted that the program changes would result in \$1.3 million in savings across all funds.

Ms. Steward reviewed the accomplishments from the FY 2020 Budget Equity Tool:

1. Launched a Department Equity Action Team to facilitate the completion of the Department Equity Assessment and two-year Equity Action Plan
2. Dedicated staff time to evaluate job descriptions and employment processes to remove unnecessary barriers to employment
3. Conducted Equity 101 trainings for department staff, and would continue to facilitate trainings throughout the Department Equity Assessment

Ms. Steward reviewed the strengths in the FY 2021 proposed Budget equity commitments:

1. Include equity and inclusion concepts in City trainings
2. Continue programs supporting fair chance hiring practices such as mock interview training within the Adult Detention Center
3. Support the newly formed Black Employee Affinity Group and dedicate staff time to collaborate on efforts with this group
4. Continue to apply an equity approach to future employee compensation decisions

Ms. Steward reported that the employee communications team continued to engage with City employees remotely and on-site. She noted that participants of the Women's Leadership Mentoring Program connected through WebEx, emails, and phone calls. She added that the speaker series with Alamo Community College District (ACCD) was transferred to a virtual learning environment.

Ms. Steward stated that all new employee orientation programs were online and through a partnership with Microsoft, more than 2,000 employees were offered classes on the new Office 365 since March 2020. She noted that through a partnership with ACCD, 48 classes were offered online for over 500 students since April 2020 and included the first class of the Innovation Academy.

Ms. Steward reported that the Innovation Academy was a partnership between the City and ACCD and provided innovative improvements in their departments. She noted that the training covered process improvement, statistics, and user-centered design. She reviewed the methods for conducting recruitment, hiring, and employee relations.

Ms. Steward stated that COVID-19 caused financial hardships within the Hotel Occupancy Tax (HOT) funded programs. She noted that as a result, 266 employees were furloughed in April 2020. She indicated that HR filed for unemployment benefits on behalf of these employees and maintained communication with them. She noted that the employees retained their benefits and by the beginning of FY 2021, 98 would be recalled to their home department. She stated that the remaining employees were temporarily deployed to 19 other departments. She added that as the HOT Fund recovered, employees would be recalled to their home department based on seniority.

Ms. Steward highlighted the new programs and resource conversions which helped meet the goal of returning employees to work. She stated that in April 2020, over 200 non-essential temporary employees were released. She noted that HR focused on evaluating the remaining temporary employees, and as a result, the FY 2021 proposed Budget included the conversion of 65 temporary

assignments to City positions in the Police, Solid Waste Management Services, Animal Care Services, and World Heritage Departments. She reported that HR requested City Council authorization to extend the contracts with the three agencies for one year to redefine temporary services usage prior to issuing a new Request for Proposals (RFP).

Ms. Steward reported that the FY 2021 proposed Budget would fund 12,667 positions, as follows: Police and Fire (4,254); Step Pay Plan (5,516); Professional (2,043); Managerial and appointed (755); and Executive (99). She noted the gender of uniformed employees: 92% male and 8% female; and the gender of civilian employees: 54% male and 46% female. She indicated that the workforce was 62% Hispanic, 28% white, 6% African-American, and 4% other. She added that there were five generations represented in the work force with the largest group being Generation X at 44%.

Ms. Steward reported that in FY 2021, there would be no employee layoffs, no unpaid furlough days for civilian employees, and the \$15 entry wage would be maintained. She added that in FY 2021, there would be no cost of living, performance pay, or step increases.

Ms. Steward reported that in FY 2021, uniform employees would be compensated according to the Collective Bargaining Agreements as follows:

<b>Police Uniform Employees</b>	<b>Fire Uniform Employees</b>
5% salary increase (2% increase on October 1; 3% increase on April 1)	2% salary increase (beginning January 1)
\$100 in additional clothing allowance	1% of total compensation one-time payment (January)
3% longevity pay for eligible employees (every five years)	3% longevity pay for eligible employees (every five years)
2% step increase for eligible employees	2% step increase for eligible employees

Ms. Steward reported that the City established salary administration guidelines which provided standardized criteria for compensation actions. She noted that exceptions to the guidelines would trigger additional levels of review. She indicated that compensation reports were publicly posted after each fiscal year end. She reported that at the end of 2017, the City removed all questions regarding salary preference and salary history from employment applications. She noted that the salary administration guidelines require HR, and at times, the City Manager, to review any salary adjustment increase or exceptional hire request. She added that the City conducted several reviews of gender pay equity organization-wide.

Ms. Steward stated that policies and programs which supported the advancement and retention of women included flexible scheduling, paid parental leave, wellness and education leave, mother's rooms, tuition reimbursement, upgrade, student loan payment, and the Women's Leadership Mentoring Program.

Ms. Steward reported that there were no proposed plan design changes to any City health plan and all health plans were proposed to continue. She stated that civilian employees that would not receive compensation increases in FY 2021 would be extended a one-year, 10% decrease to health plan contribution rates. She noted that savings from this change depended on tenure, plan selection, and family status. She stated that uniform employees in the PPO Plan would have a 10% increase in dependent rates. She added that all telemedicine visits were covered 100% through December 2020 and testing and treatment for COVID-19 was covered 100%.

Ms. Steward presented the cost of healthcare per employee per year from FY 2017 through the present with City costs ranging from approximately \$8,200 for civilian employees and \$17,800 for the fire plans.

## **B. Restricted Funds**

Deputy City Manager Maria Villagómez stated that the FY 2021 proposed Budget was \$2.9 billion and included \$1.28 billion in the General Fund; \$999 million in Restricted Funds; and \$641 million in the Capital Budget. She reported that the proposed Budget for Special Revenue funds was \$50 million which included a decrease of \$13.7 million from FY 2020. She noted that Special Revenue funds included:

- Energy Efficiency
- Golf Course
- Inner City Incentive Fund
- Municipal Court Funds
- Parks Environmental Fund
- Linear Greenways and Edwards Aquifer Fund
- Public Education and Government Fund
- Tree Canopy Preservation Fund

Ms. Villagómez noted that the Linear Creekways and the Edwards Aquifer Fund Proposed Budgets were decreased significantly (\$11.3 million) because the authorization approved by voters in 2015 was scheduled to be paid in full by April 2021.

Ms. Villagómez stated that fees collected for the Enterprise Funds were utilized for the operations of the funds and included the Market Square Fund, the Parking O&M Fund (Operations and Maintenance), and the Solid Waste O&M Fund. She indicated that the Market Square Fund was funded through parking collections and leases of the Market Square facilities, and revenues were utilized for maintenance expenses for the facilities. She noted that the Parking O&M Fund was the fund most impacted by COVID-19. She stated that the increase in the Solid Waste O&M Fund would be allocated for improvements to address customer growth in the system and the expanded Solid Waste Apprentice Program.

Ms. Villagómez reviewed the Trust, Internal Services, and Self-Insurance Funds, and reported that approximately 5,400 pieces of equipment were included in the Equipment Renewal Fund. She noted that the equipment included fire trucks, police vehicles, solid waste trucks, public works equipment, and all light duty vehicles. She stated that the increase in the proposed Budget for the Equipment Renewal Fund was for the replacement of 117 vehicles.

Ms. Villagómez reported that the Facility Services Fund was managed by the Building and Equipment Services Department. She stated that the proposed Budget for this fund was increased for expenses incurred related to the City Tower, and for alarm and security improvements across all City facilities.

Ms. Villagómez stated that the proposed Budget included a decrease in the Fleet Services Fund due to lower than anticipated diesel and steel prices. She added that the increase in the proposed Budget for Self-Insurance Funds was due to increased claim costs.

Ms. Villagómez reported that 1,675 positions for the funds in the FY 2021 proposed Budget included 60 new positions (43 in Solid Waste and 17 in the Building and Equipment Services Department).

Ms. Villagómez stated that the Storm Water Fee played a critical role in protecting the health and safety of the community. She noted that the Storm Water Utility was created in 1993 with the goal of reducing pollutants that entered the waterways. She indicated that the Storm Water Fee supported the work plan which was mandated by the Federal Government. She reported that there was no increase in the fee in the FY 2021 proposed Budget. She stated that revenues generated by the fee were divided into the following four categories:

1. Flood management
2. Channel and Creek Maintenance
3. Vegetation management
4. Street sweeping

Ms. Villagómez reported that the FY 2021 proposed Budget for stormwater operations was \$48.5 million and the fund balance, as proposed in the FY 2021 proposed Budget, was approximately \$7 million. She stated that the goal of the Public Works Department was to maintain a fund balance of approximately \$2 million to be utilized for unexpected storm events and emergency repairs. She indicated that the balance of \$5 million would be utilized for future capital projects.

Councilmember Viagran requested base salary data and demographic data of City employees. Ms. Steward stated that she would provide that information. Councilmember Viagran asked if the Municipal Court Fund was self-sustaining. Ms. Villagómez replied that the Municipal Court Fund included the Technology Fund, the Truancy Fund, and the Security Fund. She indicated that a fee charged on every ticket paid supported the Truancy Fund and the Security Fund. She added that the Truancy Fund was supported by funding from the State.

Councilmember Andrews-Sullivan asked if the City assisted the temporary employees who were let go with applying for unemployment. Ms. Steward stated that the temporary agencies were confident that the temporary employees would receive other assignments.

Councilmember Cabello Havrda asked between current and retired employees, which had a reduction or change in healthcare benefits and compensation. Ms. Steward reported that retirees would receive a Cost of Living Adjustment (COLA) of 1.6%. She indicated that pre-65 retirees would not have an increase for their health insurance and the post-65 retirees would see a reduction in the cost for the Medicare Advantage Plan.

Councilmember Courage asked when the Step Pay Plan and an increase for civilian pay was last updated. Ms. Steward stated that the Step Pay Plan was updated when the entry wage increased to \$15 per hour. Councilmember Courage asked how long an employee had to work to reach the next step and how many steps there were. Ms. Steward replied that employee moved up to the next step annually and seven was the maximum number of steps. City Manager Erik Walsh added that the Step Pay Plan should encompass more than a seven-year period but it depended on how the City progressed through 2021 and the City's financial condition going into 2022. Councilmember Courage requested the revenue and expenses for the Solid Waste O&M fund for FY 2018, FY 2019, and FY 2020 and if there was an overage, what was it used for.

Councilmember Rocha Garcia asked if all costs related to COVID-19 were covered 100%. Ms. Steward stated that the full cost of treatment for COVID-19 was covered at 100%. Councilmember Rocha Garcia stated that she would like to know more about the CDL Apprentice Program. City Manager Walsh recommended that the Councilmember contact David Newman, Solid Waste Director.

Councilmember Perry asked of the reason for the decrease in the Parking O&M fund in the proposed FY 2021 Budget. Ms. Villagomez stated that \$7.5 million of the \$20.7 million allocated in the FY 2020 Budget was allocated for a new parking garage which never materialized, and \$1.3 million of the \$20.7 million allocated in the FY 2020 Budget was allocated for parking improvements.

Councilmember Perry requested an analysis of the costs and offsets for maintenance of the City Tower. Ben Gorzell stated that he would provide that information.

Councilmember Treviño asked if the City collected housing data for City employees, such as how many City employees rented and if their rent was consuming more than 30% of their income. Ms. Steward replied that the City did not have that information. Councilmember Treviño requested that the data be collected.

Councilmember Sandoval asked how much was allocated for recruitment of non-uniformed employees. Ms. Villagómez stated that she would follow up with the information. Councilmember Sandoval requested a list of vacancies on hold. City Manager Walsh stated that he would provide the list. Councilmember Sandoval asked how much was budgeted for temporary employees. Ms. Villagómez replied that \$8 million was budgeted for temporary employees. Councilmember Sandoval asked of the costs for leave buyback for uniformed personnel and non-uniformed personnel. Ms. Villagómez stated that she would provide that information in a follow up memorandum.

Councilmember Viagran asked when SAPOA could be approached regarding forgoing a portion of their 5% increase this year. City Manager Walsh stated that he would ask the Police and Fire Unions to consider this. Councilmember Viagran stated that it was important to have someone in the Office of Equity to focus on gender equality.

Councilmember Sandoval requested an update on the Tree Mitigation Program. She requested a comparison of the costs for garbage collected on the street and garbage collected in an alley.

Mayor Nirenberg thanked the City family for their efforts during COVID-19.

## **ADJOURNMENT**

There being no further discussion, Mayor Nirenberg adjourned the meeting at 4:04 pm.

**APPROVED**

**RON NIRENBERG**

Mayor

Attest:

**TINA J. FLORES**  
Acting City Clerk