

State of Texas
County of Bexar
City of San Antonio



DRAFT

Meeting Minutes

City Council B Session

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, May 10, 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 with the following Councilmembers present:

PRESENT: 10 - Mayor Taylor, Treviño, Warrick, Viagran, Saldaña, Gonzales, Lopez, Nirenberg, Krier, and Gallagher

ABSENT: 1 - Medina

Mrs. Vacek announced that Councilmember Medina was out of the office and would not be present.

1. A Briefing on the FY 2017 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections), Mid Year Budget Adjustment Recommendations, and Five Year Financial Forecast. [María Villagómez, Assistant City Manager; Justina Tate, Director, Management and Budget]

Sheryl Sculley stated that a tribute to fallen Officers was held this morning in commemoration of National Police Officer Week. She noted that the Mid-Year Budget Adjustment Ordinance would be brought before the full City Council on May 11, 2017 for consideration and reviewed a number of items which could affect the City Budget including

the Federal Budget and proposed State Legislation. She reported that the City Budget was balanced and recommended that a positive balance of \$8 million be reserved for the Fiscal Year 2018 Budget.

Maria Villagómez stated that the proposed Federal Budget Blueprint for FY 2018 was released in March 2017 and as is; would result in an \$18 million annual reduction in grants for the City. She detailed the Federal Programs which would be affected by the budget cuts. She noted that if the Community Development Block Grant (CDBG) Program was eliminated; the city would have to pay \$4.5 million annually for a \$36.2 million Housing and Urban Development (HUD) 108 Loan through 2026. She stated that a total of 76 city positions would have to be eliminated due to the cuts. She noted that in light of the federal cuts, the Departments of Planning and Community Development and Finance recently finalized a detailed review of entitlement funding and program income for the past 13 years. She stated that based on this review; \$560,000 was available on average per year from CDBG Funds and \$143,000 was available on average per year from HOME Funds. She noted that staff would brief and propose the use of said funds to the Housing Council Committee on May 24, 2017. She stated that the Women, Infants, and Children (WIC) Budget was \$6.3 million in FY 2017 and that participation had declined beginning in December 2016. She noted that in order to adjust to the decline in participation; the City would hold 11 vacant positions with the proposed reduction of two vacancies. She stated that Metro Health would implement an aggressive marketing plan aimed at increasing WIC participation this summer.

Ms. Villagomez noted that after school programs, utility assistance for low income households, and support services for seniors, were some examples of programs which would be impacted by the Federal Budget. She spoke of the proposed State Legislation on Revenue Caps and stated that the revenue cap would have resulted in a reduction of \$43 to \$58 million in the General Fund. She noted that had the revenue cap been in place during the last decade, there would be \$43 to \$58 million less in the General Fund. She reported that the potential effect of the "Bathroom Bill" on the Metropolitan Statistical Area as the result of less out of state travel was the loss of \$411.9 million in economic activity and 4,650 jobs lost. She added that there would be a loss of \$135 million in economic activity due to the relocation of the NCAA Final Four Tournament.

Ms. Villagomez reported that the FY 2017 City Budget was comprised of \$1.14 billion in the General Fund Budget, \$824 million in Restricted Funds Budget, and \$585 million in the Capital Budget for a total Budget of \$2.5 billion. She reviewed the revenues and expenses in the General Fund Budget and noted that the General Fund Budget had a positive \$8.2 million ending balance since the FY 2016 Year End Report presented in December 2016. She stated that the General Fund Five Year Financial Forecast was structurally balanced

and overall General Fund revenues were expected to increase by 3% while expenditures were projected to grow by 2.7% for every year of the forecast. She reviewed the General Fund assumptions: 1) Maintains current level of service; 2) Maintains General Fund ending balance at a minimum of 15%; 3) Structurally balanced-revenues sufficient to cover expenditures; 4) Includes operations and maintenance costs for FY 2017 Bond Program; 5) Continues three-year implementation of SA Tomorrow; 6) Reflects new Collective Bargaining Agreement with Police and Evergreen for Fire; 7) Includes required increase in city contribution to Fire and Police Pre-Fund Retiree Healthcare Fund; 8) Includes Step Pay Plan and Performance Pay for Civilian and maintains Civilian entry wage at \$13.75; and 9) Includes revenues and expenses associated with the I-10 West Full Purpose Annexation.

Ms. Villagómez stated that the amount available for policy issues in FY 2018 was \$15 million and reviewed the policy issues of maintaining streets at \$64 million; adding 25 Officers per year; and adding 57 Firefighters, 1 Emergency Medical Services (EMS) Unit, and three ladders in the next five years. She reported that the policy issues in total exceeded the available balance. She stated that the Development Services Fund was an Enterprise Fund of \$33 million and reviewed the revenues and expenditures for said Fund. She reviewed the residential and commercial permit valuation from FY 2008 to FY 2017, as well as the revenues and expenditures for the next five years. She stated that the Hotel Occupancy Tax (HOT) Rate was 16.75% for every room night and provided an overview of the distribution and allocation of said tax. She noted that the HOT Budget was \$65.7 million and \$66.4 million was estimated for FY 2017. She stated that the departments of Convention Facilities, Visit SA, and Arts and Culture which were supported by the HOT were all within budget. She stated that the Solid Waste Fund budget totaled \$52.5 million and said fund was \$1.1 million ahead of budget for the second quarter. She noted that as of April 2017, the Pay as you Throw Program was fully implemented. She stated that included in the forecast were resources to reduce contamination through inspections, education, and marketing and crews and equipment to address increased participation in the Organics Program. She reviewed the Solid Waste monthly rates for all three sizes of carts. She noted that the costs for the various sizes were set to incentivize users into selecting smaller carts and to increase use of the blue and green carts.

Ms. Villagomez stated that as part of the Mid-Year Budget Adjustment, staff recommended that \$700,000 of the \$1 million which was allocated for the COPS Grant match which was not received, be allocated for the hiring of 15 new Police Officers. She noted that staff recommended that the balance of \$300,000 be allocated to the Cure Violence Program. She stated that staff also recommended the allocation of \$150,000 for legal services for low income residents which could be accomplished through a partnership with St. Mary's University or through a Request for Proposals (RFP) process. She noted that said funds would be utilized from the \$1 million General Fund Contingency Fund. She mentioned that

a grant match opportunity existed for immigrant legal services from the Vera Institute of Justice which kept families together by assisting immigrants. She noted that a letter of interest was required by this week and if the City was invited to apply; the application would be brought before the City Council for approval. She noted that staff further recommended the augmentation of \$30,000 to the Ambassador Program which would double the City Council District 2 participants from 10 to 20. She noted that this was being recommended to be funded from the Contingency Fund. She reported that staff also recommended funding in the amount of \$3.9 million for Alamodome Improvements which would include smoke control testing and general improvements, contractual event staffing, an audio system, video scoreboards, and Wi-Fi. She noted that the estimated project cost was \$9 million of which the City would invest \$3 million and seek partnerships for the balance. She noted that staff was proposing \$100,000 to be allocated from the HOT to the Tricentennial Office for the New Year's Event and fundraising and marketing support.

Ms. Villagomez reported that the adopted Capital Budget for FY 2017 included a \$1 million contribution to Child Safe headquarters contingent upon a contribution from Bexar County. She noted that Councilmember Warrick has requested that the condition be removed due to the fact that funding has not been received from Bexar County. She stated that a meeting of the City Council in June 2017 had been scheduled to gather policy direction on the Budget from the City Council. She noted that staff was scheduled to present the proposed Budget in August 2017 and from August to September 2017; City Council Budget Work Sessions and meetings for community input would be held. She stated that the Budget would be proposed for adoption on September 14, 2017. She noted that, in conclusion: 1) Uncertainty remained in the Federal Budget and potential grant eliminations/reductions; 2) State revenue caps would significantly impact the growing needs of the community; and 3) The General Fund financial position was slightly better than at budget adoption and staff recommended reserving the better ending balance for the FY 2018 Budget.

Mayor Taylor asked if some of the proposed additional Police Officers to be hired could be San Antonio Fear Free Environment (SAFFE) Officers. Erik Walsh replied that the new Officers would be added to the Violent Crime Task Force but the addition of SAFFE Officers could be incorporated within the City Council Budget Worksessions. Mayor Taylor asked of data related to the decline in WIC participation. Mr. Walsh stated that the decline could be related to fear associated with immigration.

Councilmember Saldaña spoke of the anxiety which many community members feel regarding immigration and expressed support for the \$150,000 for legal services and going through an RFP process. He asked of the RFP process. Ms. Villagómez stated that proposals would be requested from agencies to provide services to Veterans, landlord/tenant issues, immigrant issues, simple wills, and ID recovery for the homeless.

Councilmember Saldaña spoke of leaving the process open to groups which already have direct channels to the community.

Councilmember Viagran asked how long the RFP process would take. Ms. Villagómez replied that the RFP process would take 90 days. Mrs. Sculley noted that it could be brought before the full City Council by the end of June 2017. Councilmember Viagran asked how long it would take if St. Mary's University were selected to provide the services. Ms. Villagómez replied that utilizing St. Mary's University would take 30 to 45 days to augment their resources. Councilmember Viagran expressed support for the staff recommendations and going through the RFP process for legal services.

Councilmember Nirenberg expressed support for the use of the RFP process for legal services and submitting the letter of intent to Vera. He spoke of submission of the grant for immigration legal defense and asked of the status of the contingency fund. Ms. Villagómez stated that staff was recommending the utilization of \$180,000 from the Contingency Fund for legal services and the Ambassador Program. She noted that staff recommended that the balance of \$820,000 be maintained.

Councilmember Gallagher asked if the Air BNB had been taken into consideration as a revenue source in the Budget Process. Ms. Villagómez replied that it had not. Mrs. Sculley stated that estimates would be provided when the budget was proposed. Councilmember Gallagher asked of problems associated with providing legal services to immigrants. Andrew Segovia stated that State Legislation would not have a significant impact on supply of services to immigrants. Councilmember Gallagher spoke in support of investing in the SAFFE Program.

Councilmember Gonzales asked when the Federal Government would finalize its budget. Ms. Villagómez replied that the President would submit the final budget to Congress later this month. Mrs. Sculley added that adoption of the Federal Budget had rarely occurred at the beginning of the fiscal year and was often not adopted until the following calendar year. Councilmember Gonzales asked when the city might see reductions in funding. Mrs. Sculley stated that reductions in some funding would be seen now and in the future.

Councilmember Krier stated that the City Council should ensure that they know what will be paid for using citizen tax dollars in relation to the \$150,000 for legal services. He spoke of the effect of a potential revenue cap and noted that it would not affect the current budget but may affect the FY 2019 Budget. He spoke of the need for funding for more Police Officers and City Council Staff.

Councilmember Treviño spoke in support for utilizing the RFP process for legal services

and for submitting a letter of intent for the Vera Grant. He expressed support for augmentation of the SAFFE Program. Councilmember Saldaña spoke of the education which could be provided in association with the proposed legal services.

Councilmember Lopez spoke in support for utilizing the RFP process for delivery of legal services. He asked of the status of discussions to be held regarding funding for VIA. Mrs. Sculley stated that staff recommended that said item be discussed at the Goal Setting Session in June 2017. She noted that staff was not recommending VIA funding at this time given the pending decisions at the State and Federal Levels.

Councilmember Warrick spoke in support of providing legal services to constituents, Child Safe, Ambassador Program, and the budget as presented. Mayor Taylor requested that a list of recommendations developed by SAMCO regarding VIA funding be brought before the full City Council for further discussion. She thanked staff for the presentation.

2. A Briefing on the Pre-K 4 SA Board of Directors adopted FY 2018 Budget. [Peter Zanoni, Deputy City Manager; Sarah Baray, Ph.D., CEO, Pre-K 4 SA]

Mrs. Sculley stated that the Pre-K 4 SA Board of Directors had approved their Budget on April 18, 2017. She noted that Pre-K 4 SA was selected as an award recipient for the HEB Excellence in Education Award.

Sarah Baray played a video depicting Pre-K 4 SA as the HEB Excellence in Education Award recipient. She noted that program components included: 1) Education Centers; 2) Professional learning; 3) Competitive grants; and 4) Family engagement and outreach. She stated that the results of a three-year evaluation by an external evaluator showed that children enter the Pre-K 4 SA Program well below the national norm and leave Pre-K 4 SA above the national norm in the following key areas: 1) Cognition; 2) Literacy; and 3) Math. She noted that short and long-term progress was tracked and that a full report by the State of Texas Assessments of Academic Readiness (STAAR) would be presented in the fall of 2018. She noted that the budget presented for this year totaled \$48.3 million which represented a 2.5% increase from FY 2017. She stated that approximately \$500,000 of the increase was for competitive grants and the remainder of the increase was for personnel and benefits. She stated that it was anticipated that the Budget would decrease in the next few years due to the decreased costs in transportation and food service. She stated that Pre-K 4 SA was anticipating \$48.3 million in revenues with the majority coming from the sales tax. She reviewed the revenues, expenditures, and proposed personnel for FY 2018 and noted that more full-time Teaching Assistants would be added. She stated that the FY 2018 Budget would be presented for approval at tomorrow's City Council Meeting.

Mayor Taylor asked of the challenges of partnering with Child Care Centers throughout the community. Mrs. Baray stated that some of the organizations were not aware of grant opportunities and many thought of the grant application process as cumbersome. She noted that Pre-K for SA was focused on improving their outreach efforts.

Councilmember Nirenberg asked of other cities which would like to replicate the program and what may have been learned from them. Mrs. Baray replied that there was a network of municipal organizations that are running Pre-K Programs and she has been participating in that network. She noted that there were so many entities that wanted to visit that they could only accommodate them at set times.

Mayor Taylor thanked everyone for the presentation.

EXECUTIVE SESSION

Mayor Taylor recessed the meeting into Executive Session at 4:50 pm for discussion on the following:

- 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. Legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Litigation matters involving the City pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Taylor reconvened the meeting at 5:45 pm and announced that no action was taken in Executive Session. She addressed the Ceremonial Items.

CEREMONIALS

The Scholarship Committee of the Martin Luther King Jr. Commission announced their 2017 Scholarship Recipients. It was noted that the awards are funded by local businesses

and community groups, as well as contributions from City Councilmembers. Each recipient was presented with an award, congratulatory certificate, and a commemorative medal by Mayor Taylor.

Mayor Taylor presented a Proclamation to the Karate Kids of San Antonio. Mr. Eli Guerra presented the 2017 Winners of their Just Say No! Program. It was noted that the local campaign follows the example of the national program created by Former First Lady Nancy Reagan. This city-wide contest invites students to write a letter in which they encourage their friends to “Just Say No!” to drugs, alcohol and gangs.

CITIZENS TO BE HEARD

Mayor Taylor called upon the citizens registered to speak.

Elizabeth Almanza, Jesus Arrellano, and Olga Mendez representing American Gateways addressed the City Council. Ms. Almanza spoke of the services they provide for immigrants and requested funding for same.

Sarah Donaldson addressed the City Council requesting emergency funding for immigrant services.

Elida Contreras stated that she is a legal resident and would like to become a U.S. Citizen. She requested assistance from the City Council for immigrant services.

Maria Victoria De la Cruz stated that she is an immigrant from Mexico and would like for the City Council to help organizations that provide assistance to immigrants.

Mark Kellman stated that he was an architect and provided his recommendations regarding The Alamo.

Judy Brady noted the many City Council Run-Offs and expressed concern with the lack of trust for public officials.

Nazirite Ruben Flores Perez spoke of the freedom of religion and presented a newspaper article entitled, “Bill would let adoption agencies ban certain groups.”

Jessica Azua of the Texas Organizing Project stated that she had heard many concerns regarding immigration issues and asked the City Council to provide assistance to agencies that assist immigrants.

Janette Smith, Roger Smith, and Velma Rivera representing the Disabled American

Veterans addressed the City Council. Ms. Smith presented the City Council with a forget-me-not flower pin which is used by Disabled American Veterans to promote the honorable memories of all Veterans of all wars.

Mark Perez addressed the City Council and noted concerns with the businesses operating without the proper permits.

Artman Bland addressed the City Council and expressed concern with the drugs and violence occurring in his neighborhood.

Faris Hodge, Jr. submitted written testimony noting that citizens did not support a Crime Prevention District Tax. He wrote that St. Mary's University was keeping guns off campus. He also wrote that the Bexar Cold Case Unit would end and that work would be distributed to other officers.

ADJOURNMENT

There being no further discussion, Mayor Taylor adjourned the meeting at 7:03 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

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