

**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 8, 2019

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 noting a quorum with the following Councilmembers present:

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

1. Briefing on the FY 2019 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections), Mid Year Budget Adjustment Recommendations, and Five Year Financial Forecast. [María Villagómez, Deputy City Manager; Justina Tate, Director, Management and Budget]

Justina Tate stated that on March 11, 2019, President Trump submitted the Fiscal Year (FY) 2020 Federal Budget to Congress. She noted that the City receives approximately \$128 million annually in Federal Grants and the Federal Budget proposed the elimination of the Community Development Block Grant (CDBG) and the Home and Community Services Block (HOME) Grant. She stated that this would result in \$21 million in potential grant reductions for the City and would impact the FY 2021 Budget. She mentioned that the State of Texas has introduced legislation to lower the property tax revenue cap from 8% rollback to 3.5% rollback, and reduce the revenue paid to the City by companies which provide cable

and telecommunication services. She noted that the rollback would reduce the services provided by the General Fund by \$51 million and there would be \$7 million less revenue in the General Fund due to the reduced fees paid by Telecommunications Companies.

Mrs. Tate stated that the total FY 2019 City Budget was \$2.8 billion; the amount in the General Fund was \$1.26 billion; the amount in Restricted Funds was \$889 million; and the amount in the Capital Program was \$690 million. She reported that the General Fund was \$600,000 below Budget at the end of the second quarter due to \$1.6 million in less revenue and \$1 million in less expenses. She noted that staff projected a better ending balance in the General Fund for FY 2019 of \$14.7 million. She reviewed the following Budget Initiatives for FY 2019: 1) Street Maintenance; 2) Sidewalk Program; and 3) Affordable Housing.

Mrs. Tate reported that the FY 2020 SASpeakUp Campaign for the FY 2020 Budget opened in mid-March 2019 and will close on May 19, 2019. She stated that the results would be compiled and presented to City Council at the Goal Setting Session on June 21, 2019. She mentioned that a Council Consideration Request (CCR) was submitted by Councilmember Pelaez to study the appraisal practices of the Bexar County Appraisal District (BCAD) in comparison to other Texas Cities. She noted that a kick-off meeting with BCAD and EPS would be held on May 23, 2019 and data would be collected for three months with estimated completion in September 2019. She provided FY 2019 property tax statistics as they related to exemptions. She stated that in February 2019, Councilmembers Perry and Courage submitted a CCR to study the establishment of a General Homestead Tax Exemption and increasing the Over Age-65 and Disabled Tax Exemptions. She reviewed the impact of increasing said tax exemptions and noted that a Homestead Exemption must be approved by the City Council prior to July 1, 2019 to be effective in FY 2020.

Mrs. Tate stated that the City of San Antonio received approximately 20% of the property tax bill and reviewed the historical tax evaluation percent change year over year. She reviewed the 10-year history of sales tax and noted that the forecast assumed a growth in sales tax of 3.5% each year. She stated that in FY 2019, CPS Energy Revenues were expected to decline 4.3% from prior year actuals. She noted that the forecast included the cost to provide the current level of city services, employee compensation, and the operating costs of 2017-2022 Bond Projects. She reviewed the projected resources and expenditures in the General Fund and the Development Services Fund. She provided a breakdown of the 9% that the City received from the Hotel Occupancy Tax (HOT) and reviewed the projected HOT Revenues and Expenditures for the forecast.

Mrs. Tate stated that the Solid Waste Management Fund was supported by Solid Waste Environmental Fees and Recycling Revenues. She reviewed projected revenues, expenses, and forecast for the Solid Waste Management Fund and the mid-year adjustments scheduled

for City Council approval on May 16, 2019. In conclusion, she stated that: 1) The FY 2019 Budget was balanced and slightly ahead of Budget; 2) The Financial Forecast reflected proposed State Legislative changes; 3) Limited capacity to add additional spending beyond current levels of service; 4) Recommended Budget Adjustments were scheduled for City Council approval on May 16, 2019; 5) A briefing on financial policies would be presented on June 12, 2019; and 6) A Goal Setting Session would be held on June 21, 2019 for City Council to discuss policy issues and financial policies for the FY 2020 Budget. She added that the Proposed Budget would be presented to the City Council on August 8, 2019 and Budget Adoption was scheduled for September 12, 2019.

Mayor Nirenberg requested a comparison of the effect of a homestead exemption or a tax rate reduction on the City Budget and the individual homeowner. He asked when the City would meet with the rating agencies. Erik Walsh replied that the City would meet with the rating agencies in July 2019 and that staff recommended a discussion on financial policies in June 2019.

Councilmember Saldaña asked if the homestead exemption could be limited to properties valued at less than \$1 million. Ben Gorzell replied that State Law did not provide for a homestead exemption based on the value of a property. He noted that the minimum amount for a homestead exemption was \$5,000 but could be as high as 20%.

Councilmember Viagran asked of the taxable valuation for FY 2020 and for the next five years. Mr. Gorzell replied that 4% was projected on the base and 2% was projected on new improvements in FY 2020. He noted that the average for the next five years was 5.2%. Councilmember Viagran requested a list of stakeholders for the comprehensive assessment of a Community Homeless System.

Councilmember Courage asked what could be done to reach the authorized count for Police Officers. Chief McManus replied that the number of vacancies has decreased over the last few years and the subsequent Cadet Class would exceed the authorized count. Councilmember Courage asked of the number of Retirees for FY 2019. Mr. Walsh stated that the projected number of retirements for FY 2019 was 80.

Councilmember Hall asked of civilian pay and the cost of living adjustment (CoLA). Mr. Walsh replied that civilian pay progressed based on an employee's time with the City. Councilmember Hall advocated for a CoLA at a rate higher than 1%.

Councilmember Sandoval expressed support for mass rezoning, funding of Haven for Hope, and live streaming and broadcasting of additional meetings. She asked of the increase in the budget for building inspections. Michael Shannon stated that the Development Services Department was experiencing a high level of permit activity and more plan reviewers will be

needed in order to provide quality and timely service to customers.

Councilmember Saldaña asked if it was necessary to increase the base number of Police Officers to have a higher Police presence in the community. Chief McManus replied that it was necessary. Councilmember Saldaña asked of the cost to add 25 Police Officers. María Villagómez replied that adding 25 Police Officers would cost \$100,000 each or \$2.5 million per year.

Councilmember Perry asked when the number of vacancies for the San Antonio Police Department (SAPD) would be at zero. Chief McManus replied that SAPD vacancies would be at zero on July 3, 2019. Councilmember Perry requested a breakdown of State and Federal Funds received by delegate agencies and an explanation of what said funds were utilized for.

Councilmember Treviño expressed support for the Sidewalk Repair Program, the large area rezoning, and funding for Haven for Hope. He spoke of design options for the roof of the Convention Center.

Councilmember Gonzales expressed support for funding for public safety expenses and maintaining cleanliness in the area surrounding Haven for Hope.

Councilmember Brockhouse asked of the cost of overtime for SAPD. Mrs. Tate responded that just over \$19 million was spent by SAPD for overtime. Councilmember Brockhouse stated that this indicated that SAPD was under staffed. Mr. Walsh noted that staff would provide a breakdown on the utilization of overtime between now and June 21, 2019. Councilmember Brockhouse expressed support for funding of Haven for Hope and for raising the CoLA.

Mayor Nirenberg thanked staff for the presentation.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting into Executive Session at 4:57 pm to discuss 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. Settlement offer in litigation styled Champion and Aquero v. City of San Antonio pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Nirenberg reconvened the meeting at 6:13 pm and stated that no action was taken in Executive Session. He announced that the Executive Session would resume the following day after the Business Portion of the Regular Meeting.

CEREMONIALS

Mayor Nirenberg presented a Proclamation to the San Antonio Police Department who will hold their Annual SAPD Police Officer Memorial Day on Friday, May 10, 2019, to honor the 59 Members who have lost their lives in the line of duty. It was noted that since 1961, the President of the United States has proclaimed May 15th as Peace Officer Memorial Day and the week in which it falls as National Police Week.

Mayor Nirenberg presented a Citation to Jesse Treviño noting that his artwork "Mi Vida" was being displayed as part of an art exhibit entitled, "Artists Respond American Art and the Vietnam War, 1965-1975" at the Smithsonian in Washington, D.C. It was noted that Mr. Treviño, one of America's premier Latino Artists, grew up in the Westside San Antonio neighborhood called Prospect Hill, and has been painting for nearly 50 years.

Mayor Nirenberg presented a Proclamation to the Johnson High School PTSA Smart Driving Club who will promote teen driving safety and create awareness on reducing Distracted Driving by observing the 100 Deadliest Days of Summer. It was noted that the campaign runs from Memorial Day through Labor Day, the time of year when teen drivers are out of school and on the road.

CITIZENS TO BE HEARD

Mayor Nirenberg called upon the citizens registered to speak.

Anthony Head stated that he was Jesse Treviño's Biographer and commended Mr. Treviño for his great work. He noted that it was appropriate that Mr. Treviño was recognized and honored by the City Council.

Edward Ocampo Sr. spoke of being repeatedly poisoned by arsenic while living in San

Antonio and New Braunfels Housing Units.

Juan Hernandez requested that the City of San Antonio research the potential reduction of single use plastic bags. He stated various environmental concerns due to the use of plastic bags.

Fidel Belmarez spoke in opposition to abortions being performed in San Antonio and asked that San Antonio be a sanctuary city for the unborn.

Mary Elizabeth Martinez-Harilall spoke of the need for Police Protection with regard to cycling safety. She noted that she is part of a cycling organization that provides books to schools and mentioned the many benefits of cycling.

RECESSED - EXECUTIVE SESSION

There being no further discussion, Mayor Nirenberg recessed the meeting at 6:59 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

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