

**State of Texas
County of Bexar
City of San Antonio**



**Meeting Minutes
City Council B Session**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, September 18, 2019

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the City Council Chambers of the Municipal Plaza Building. City Clerk Leticia M. Vacek took the Roll Call noting a quorum with the following Councilmembers present:

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

ABSENT: Sandoval

Mayor Nirenberg announced that the Biannual High Profile Reporting for Contracts would be presented today and turned the floor to City Manager Walsh.

City Manager Walsh stated that the Mayor and Council requested the Finance Department to revisit the High Profile Contract process. He noted that the Audit and Accountability Committee had many discussions regarding the High Profile Contract Process. He added that one of the recommendations was that City Council receives a briefing on the Forecast of High Profile Contracts twice per year. He added that another recommendation was that both Pre and Post solicitation briefings occur at B Session and continue to go through the Audit and Accountability Committee to increase transparency. City Manager Walsh noted that this would provide an additional opportunity to continue the dialogue in advance of High Profile Agenda Items being addressed during the City Council A Session.

1. Briefing on the Biannual High Profile Report for Fiscal Year 2020. [Ben Gorzell, Chief

Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Mr. Troy Elliott defined High Profile Contracts as discretionary contracts valued over \$1 million; high level of community/exceptional interest; and highly complex/technical in nature; or contract terms and conditions that are non-standard/complex. He added that low-bid procurements were excluded from this process.

Mr. Elliott proposed establishing “Select” High Profile Contracts which are defined as follows:

- Financial Impact (value over \$25 million)
- Contract Term (10 years or more)
- Policy and/or Public Implications
- Community/Stakeholder Impact or Interest

Mr. Elliott proposed B Session Briefings:

- Biannual Forecast to be held in September and February
- Pre and Post Solicitation Briefings for Select Solicitations

Mr. Elliott outlined the difference of the proposed process changes to the Select High Profile and High Profile Solicitations to include additional changes:

Select High Profile Solicitations:

- Forecast presented at B Session twice per-year
- No Audit and Accountability Council Committee Presentation
- Respondent Names to be provided at B Session
- No Change to Restriction on Communications

High Profile Solicitations:

- Forecast presented to the Audit and Accountability Council Committee twice per year
- Respondent Names will not be displayed
- Respondent Names will be provided to Committee Via Memo following the approval of item
- No Change to Restriction on Communications

Additional Changes:

- Provide initial and final score matrices
- Increase standard advertising period from 30 to 45 days.

Councilmember Treviño commented on the “no change to the restriction on communications.” He added that the “no contact” provision was established by the City Ethics Code and could be changed. Andy Segovia, City Attorney noted that the Ethics Review Board was the proper place to review Ethics Code changes. Mr. Segovia added that the Ethics Review Board can review the “no contact” provision and provide a recommendation. Mr. Segovia added that Council can decide whether to approve the recommendation or not.

Councilmember Treviño stressed that he did not want to eliminate the “no contact” provision of the Ethics Code noting that his goal was to provide additional time for dialogue and consideration of High-Profile Contracts.

Councilmember Treviño added that many times, City Council was briefed on an item during B Session and then expected to vote on the same item the next day. He noted that the compressed timeframe did not allow for proper evaluation and consideration. Councilmember Treviño expressed that he would like more time to ask questions, research facts, talk to colleagues, and get a better understanding of the solicitation before voting.

Councilmember Gonzales noted that her concerns are similar to Councilmember Treviño’s request for additional time. She asked what was the thought process of the ERB regarding the “no change on the restriction of communication during the High-Profile process.”

Mr. Elliott reported that the restriction on communication was established in the City Ethics Code. Councilmember Gonzales asked for the process to change the Ethics Code. Mr. Segovia reported that every two years the ERB reviews the Ethics and Campaign Finance Code; thereafter, they formulate recommendations to the Governance Committee for consideration.

City Manager Walsh added that the Code of Silence was over once the item was posted on the A Session Agenda. He added that City Staff typically posts the A Session Agenda on Wednesday evenings, providing a week for review before the deliberation and consideration takes place during a Regular Meeting. He stated that Councilmember Treviño was seeking additional time from the ERB. He added that under the new proposal, Select High-Profile Contracts will go before the Audit Committee, B Session, and then A Session.

Councilmember Courage noted that the Audit and Accountability Committee understands and agrees with the High-Profile process. He added that the Audit Committee members decided that they did not want to know the respondent names until after they made a decision.

Councilmember Courage suggested that the names of the vendors responding to a High-Profile solicitation be released after the B Session or after the Audit and Accountability Committee briefing. He added that this would allow additional time to consider solicitations submitted for award. He added that the process being proposed was a good process and had been received and approved by the Audit and Accountability Committee. Councilmember Courage encouraged the Audit and Accountability Members to review the agenda items upon receipt and ask questions in advance of the meeting.

Councilmember Rocha Garcia noted that the Council receives a forecast of High-Profile Contracts in advance and that helps her prepare questions and be briefed by City Staff in advance. Councilmember Rocha Garcia stated that as Chair of the ERB, she presented proposed recommendations to Ethics and Campaign Finance Code.

Councilmember Perry expressed support for staff’s recommendation and added that was a step in the right direction. He noted that changing the “no contact” provision too far in advance could create unforeseen consequences and needed careful thought and consideration. Councilmember Perry noted that contractors and individuals responding to the City Solicitations needed more time to respond and

formulate their proposals. He felt that the City did not allow enough time to respond to complex solicitations.

Councilmember Viagran supported transparency and staff's recommendation regarding High-Profile Contracts. She also supported additional time to review items posted on the A Session Agenda to allow time for vetting issues or concerns. Councilmember Viagran requested that all Housing High-Profile Solicitations be changed to Select High-Profile.

Councilmember Rocha Garcia requested that the Continental Hotel and the Organics Material Processing be changed from High-Profile to Select High-Profile.

City Manager Walsh added that he intends to provide City Councilmembers the Select High-Profile list at least twice per year during B Session. He added that there are many City Contracts and Services and that it was important to be consistent and reliable.

Mayor Nirenberg noted that the standard had to be transparent and consistent with the process. He added that transparency has to be paramount and must make sure it is consistent all the way around.

2. Briefing on Ticketing Services Agreement to provide exclusive event ticketing services for the Convention & Sports Facilities Department. [Carlos Contreras, Assistant City Manager; Patricia Muzquiz Cantor, Director, Convention and Sports Facilities]

City Manager Walsh noted that the briefing on the Automated Ticketing System had gone through the standard process of a pre-solicitation briefing, post-solicitation briefing at the Audit and Accountability Council Committee, B Session today, and A Session tomorrow. He added that rarely will an item appear the day before at B Session for approval the next day.

Mrs. Muzquiz Cantor provided a PowerPoint presentation of the contract overview:

- 5-year term with 5-year renewal options
- Goals
 - Robust ticketing system
 - User-friendly customer & client interface
 - Reasonable/flexible customer processing fees
 - Extensive marketing resources
 - Secure anti-fraud system
 - Onsite technical support
 - Maximum revenue share model

Mrs. Muzquiz Cantor provided the solicitation timeline and listed the evaluation committee members. She summarized the evaluation criteria and rankings for experience and qualifications. She added that Ticketmaster received 34 points, Tobin Center received 25 points, and SquadUp received 16.71 points.

Mrs. Muzquiz Cantor provided statistical data from the Mexico vs. Argentina Soccer Game:

- 17,677 online tickets sold outside the San Antonio Market (56% of the market)

- 11,055 tickets sold in Texas but outside of San Antonio
- 6,622 sold outside of Texas
- 775 tickets sold in Mexico
- 1 sold in Canada

Mrs. Muzquiz Cantor provided statistical data from the Metallica Concert:

- 22,338 online tickets sold outside the San Antonio Market (55% of the market)
- 12,881 tickets sold in Texas but outside of San Antonio
- 9,373 sold outside of Texas
- 56 tickets sold in Mexico
- 28 sold in Canada

Mayor Nirenberg questioned if Ticketmaster was proposing \$50,000 per year for the Arts and Entertainment Fund above the revenue to the City guaranteed in the contract. Mrs. Muzquiz Cantor reported that was correct and was approximately over \$2 million per year.

Mayor Nirenberg questioned if Tobin Center was proposing \$500,000 per year for the Arts and Entertainment Fund above the revenue to the City guaranteed in the contract. Mrs. Muzquiz Cantor reported that was correct and was approximately over \$1.5 million per year, but the funding was proposed to stay at the Tobin which the City did not own. The proposed Ticketmaster funding could be utilized by the City and would not be earmarked like the proposed Tobin revenue.

Councilmember Treviño noted that the proposed revenue that would stay at the Tobin Center to support the Symphony, Opera, and the Ballet. He asked for support to the Arts and Entertainment Industry in San Antonio. He added that supporting the Symphony was helping the City, same with the Opera and the Ballet. Councilmember Treviño noted that the Tobin Center did not get awarded the Local Preference Points, despite being local so they lost 10 points.

Councilmember Treviño suggested that the City extend the current contract in place to allow the Council additional time to debate the solicitation. City Attorney Segovia added that there were no contract extensions available. He noted that proposed contract extension would require an agreement with Ticketmaster. Mr. Segovia stated that award of the Local Preference Points was adopted by Ordinance and entities had to be For-Profit to qualify. He noted that the Tobin Center was a Non-Profit entity and did not qualify for Local Preference Points. Councilmember Treviño added that the Local Preference Points was an unintended consequence that was unfortunate for the Tobin.

Mayor Nirenberg clarified the proposed revenue from Ticketmaster to the City was \$2 million per year and the proposed revenue from the Tobin Center was \$1.5 million in addition to that \$500,000 would go to the Tobin Center Resident Companies such as the Opera, Symphony, and the Ballet. He added that additionally; \$50,000 per year was proposed from Ticketmaster that would go to the City Arts Fund. He noted that the Council could choose to earmark the \$2,050,000 proposed revenue from Ticketmaster anywhere they choose.

Councilmember Andrews-Sullivan asked why the Tobin Center was not eligible for Local Preference Points. Mr. Elliott reported that the Tobin was a non-profit entity and according to the City Ordinance in place; non-profit entities are not eligible for Local Preference Points.

Councilmember Andrews-Sullivan questioned the 24/7 technical support and asked if Ticketmaster Support was onsite support compared to the Tobin Center utilizing third party technical support. Mrs. Muzquiz Cantor reported that was correct and added that the Tobin was a tiered customer support.

Councilmember Andrews-Sullivan noted that the biggest challenge was the impact to the Arts and Culture Fund with the \$500,000 that was proposed by Ticketmaster. She added that the Symphony must be preserved. Mrs. Muzquiz Cantor reported that the next fiscal year, the Arts and Culture Department will have several shows regarding youth programming where the Symphony will play for children at the Lila Cockrell Theater.

Councilmember Perry questioned why the Council was voting on this contract tomorrow and noted that it was not enough time for discussion and consideration. He asked if there were additional constraints forcing the quick turnaround from Council. Mr. Elliott reported that he will research and report back.

Councilmember Perry stressed that he understood why Ticketmaster scored high on their proposal; because they are internationally known. He added that people naturally migrate to Ticketmaster when purchasing tickets. Councilmember Perry added that even if the Ordinance was changed and the Tobin received 10 Local Preference Points, they still did not score high enough to the level of Ticketmaster. He added that he preferred the option to divvy up revenue where the Council feels was important versus specifically earmarking revenue.

Councilmember Viagran thanked the staff for the presentation and appreciated the opportunity to discuss same during B Session before voting takes place. She added that the Council previously discussed funding Arts and Cultural Agencies and there was not enough money to fund all. She noted that this was a step in that direction to consider for future Arts Funding sources.

Councilmember Rocha Garcia reminded Councilmembers that Mr. Gorzell circulates the High-Profile contract list monthly indicating all High-Profile Contracts denoting deadlines. She urged her colleagues to read the information to provide for questions to be asked in advance.

Councilmember Rocha Garcia reviewed the process and noted that in addition to the High-Profile Report provided monthly, said item was discussed in detail at the August 30, 2019, Audit and Accountability Council Committee. Also, the topic was further discussed at B Session and finally will be discussed again at the A Session.

Councilmember Rocha Garcia noted that Ticketmaster had an App and asked if the Tobin had an App to purchase tickets. Mrs. Muzquiz Cantor reported that customers of the Tobin utilized the website to

order tickets.

Councilmember Gonzales asked if the ticketing contract had to be exclusive or if multiple sources could sell the same tickets. Mrs. Muzquiz Cantor replied it would be complicated to transfer or share data.

Councilmember Courage asked if the \$50,000 that was proposed by Ticketmaster was a projection or guarantee. Mrs. Muzquiz Cantor reported that the funds are projections at this point until contracts were signed and approved. She added that \$50,000 was a projection based on historical figures.

Councilmember Pelaez stated that he was okay with Ticketmaster and thanked staff for doing a thorough job vetting the proposals.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting at 4:37 p.m. to discuss the following items:

- 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).

Mayor Nirenberg reconvened the meeting at 5:48 pm and announced that no action was taken.

CEREMONIALS

CERTIFICATES: Mayor's K-12 Smart City Challenge Winners

Mayor Nirenberg announced the winners of his 2019 Mayor's K-12 Smart City Challenge. Student teams in grades 7-12 researched a specific San Antonio smart city problem and proposed a strategy, product, or service as a solution. Their research included STEM, civics, and policy topics. The students conducted technical and market research, shared their results, and made a recommendation.

PROCLAMATION: Trinity University 150th Anniversary

Mayor Nirenberg presented a proclamation for Trinity's 150th Anniversary. It was noted that Trinity University commenced its first classes on September 23, 1869, when five faculty members greeted seven students. By the end of the school year, there were over 100 students in attendance. Trinity is a private liberal arts university whose student body consists of approximately 2,300 undergraduate and 200 graduate students. Trinity offers 42 majors and 57 minors. It is one of the nation's top private undergraduate institutions.

PROCLAMATION: Hispanic Heritage Month

Mayor Nirenberg presented a proclamation for National Hispanic Heritage Month which will be observed from September 15 to October 15 to recognize the contributions made and the important presence of Hispanic and Latino Americans. The annual observance, established in 1989, commemorates the anniversary of independence of five Latin American Countries, and celebrates the diverse Hispanic Cultures of society throughout our nation's history.

PUBLIC COMMENT

The following individuals addressed Council during Public Comment:

Nazarete Ruben Flores Perez spoke on the Assemblies of Yahweh and noted that he was a member of the American Legion and announced that Kingdom Come is coming.

Otis Thompson asked that Martin Luther King Jr. March begin Pittman Sullivan Park and end at Martin Luther King Park. He added that there was more than one way in and out of MLK Park as opposed to the Pittman Sullivan Park. He suggested that Wheatley Heights Stadium be used as a gathering spot.

Antonio Diaz requested that the Columbus Statue be removed and that Columbus Park be renamed. He asked City Council to recognize Indigenous People's Day on October 12, 2019. He added that he was trying to make change and recognize that indigenous people are equal. He asked that people take indigenous rights into account when they legislate.

Elvira Kruzic spoke about Housing Grants and asked how she could apply for the grants. She stated that she had worked with someone on the matter but was fired.

Marlon John Elementzfest, Executive Director of Military Project noted that he was currently working with District 2 for planning events focused on sustainability at Sunken Gardens November 2, 2019.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 6:17 pm.

APPROVED

**RON NIRENBERG
MAYOR**

Attest:

LETICIA M. VACEK, TRMC/CMC/MMC
City Clerk