

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



**FINAL
Meeting Minutes
City Council Special Meeting**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, May 30, 2018

9:00 AM

HBG Convention Center

The City Council of San Antonio convened in a Special Meeting in Meeting Room 220 (the Cantilever Room) of the Henry B. Gonzalez Convention Center. City Clerk Leticia Vacek took the Roll Call noting the following Councilmembers present:

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

1. City Council Budget Policy Goal Setting Session establishing budget policy direction that will guide the development of service priorities for the FY 2019 Proposed Budget and the FY 2020 Budget Plan to include possible action on matters presented and discussed. [Maria Villagomez, Assistant City Manager; Justina Tate, Director, Management & Budget]

Mayor Nirenberg welcomed everyone to the Budget Goal Setting Session. He noted that the City Councilmembers should identify their priorities as there were funding challenges projected for FY 2019.

City Manager Sculley stated that staff was requesting policy direction to guide the development of the FY 2019 Proposed Budget and the FY 2020 Budget Plan. She introduced Facilitator Francisco Gónima. Mr. Gónima stated that staff would make

presentations and then answer clarifying questions before full discussion.

City Staff presented on the following topics:

- Results of SASpeakUp Budget Input Campaign – Jeff Coyle
- Budget Update – Maria Villagomez
- Streets, Sidewalks, and Transportation – Mike Frisbie
- Affordable Housing – Peter Zaroni
- Property Tax Analysis – Ben Gorzell
- Public Safety – Erik Walsh
- Applying Equity to the FY 2019 Budget Process – Alex Lopez

The City Councilmembers requested clarification on several of the presentations and Mr. Gónima asked the presenters to be prepared to address same after the break.

RECESSED

Mayor Nirenberg recessed the meeting at 10:30 am for a break.

RECONVENED

Mayor Nirenberg reconvened the meeting at 10:50 am.

Peter Zaroni stated that the City of San Antonio has nearly \$100 million to address housing through tax exemptions and direct spending. He outlined the funding sources and housing assistance programs. Councilmember Saldaña referenced Slide 51 and noted that 48% of renters were cost burdened. Councilmember Sandoval asked if there were fewer homeowners or if the rate was decreasing. Mr. Zaroni confirmed there were fewer homeowners and that the city was losing them to housing outside of the city limits. Councilmember Treviño noted the challenges due to increased property values and stated that he would like to have additional discussions regarding exemptions. Councilmember Pelaez spoke of the role of Ad Valorem Taxes on affordability. Councilmember Courage asked if any additional funding was recommended for housing. Mrs. Sculley replied that staff needed direction on same. Councilmember Brockhouse stated that there were mitigating factors on why people did not own homes and stated that they needed to work on reducing the cost of homes.

Councilmember Courage asked of the recommendation to utilize rough proportionality. Mr. Frisbie replied that it would involve looking at the total infrastructure throughout the city and distributing it equally amongst all Council Districts. Councilmember Courage asked of the additional funds recommended for streets. Mrs. Villagomez stated that they needed to identify \$22.8 million in order to reach the Mayor's recommendation of \$110 million. Councilmember Viagran asked of the prioritization of transit access. Mr. Frisbie replied that

it referred to a gap in sidewalks that was within ¼ mile of a bus stop. Councilmember Gonzales asked Lori Houston to provide information regarding Opportunity Zones. Mrs. Houston stated that the Opportunity Zone Program was established by the Tax Cuts and Job Act in 2017. She noted that zones were designated by the State and administered by the Treasury Department. She added that 24 of the designated zones were located in Bexar County and that investments would be provided to developers that invest in these zones for longer periods of times. She added that this was a great opportunity to layer investments. Councilmember Gonzales stated that she hoped that public investment would encourage private investment. Councilmember Sandoval spoke in support of addressing the additional streets funding to address older areas of greatest need based on PCI Score.

With regard to streets funding; Councilmember Viagran requested data on the oldest areas of the city and opportunity zones. Councilmember Courage requested data on the amount of money that speeding crashes cost the city. Mayor Nirenberg spoke in support of the integration of traffic calming devices and Vision Zero Initiatives to leverage funding. Councilmember Treviño added that he would like to see a condition assessment conducted of existing sidewalks.

Councilmember Saldaña asked of the “Other Resources” presented in the Budget Update. Mrs. Villagomez replied that the category encompassed revenue from telecommunications fees, bingo taxes, ambulance transport fees, SAWS Payment, and other such revenue. Councilmember Courage asked of the amount of debt financing projected. Mrs. Villagomez replied that staff had not performed the debt projections yet. Ben Gorzell added that they were working to update their numbers but felt there was an additional \$10 million in debt capacity this year. Councilmember Courage asked if a Homestead Reduction would reduce capacity. Mr. Gorzell replied that it would. Councilmember Courage asked how the Cost of Living Adjustment (COLA) was estimated. Mrs. Villagomez responded that they look at the cost of inflation as well as the total employee compensation package. Councilmember Viagran requested information on City Employee Compensation and how it measures to the Median Household Income. Councilmember Saldaña spoke in support of more than 1% COLA and requested the percentage of employees that are not in the Step Pay Plan. Councilmember Treviño stated that he would like to discuss additional funding for FY 2019 Council Aide Compensation and provided a handout outlining his request. Mrs. Sculley noted that Council Aides were contract employees and not city employees.

RECESSED

Mayor Nirenberg recessed the meeting for lunch at 12:00 pm.

RECONVENED

Mayor Nirenberg reconvened the meeting at 12:50 pm.

Councilmember Perry expressed concern with high property valuations and asked why a question on this topic was not included in the SASpeakUp Budget Input Campaign. Mr. Coyle replied that they had focused on the major spending categories. Councilmember Perry stated that he would like to see a Homestead Exemption in the FY 2019 Proposed Budget. Mr. Gorzell stated that any reductions would cause a deficit in the budget. Councilmember Brockhouse also expressed support for a Homestead Exemption and requested a larger exemption for Disabled Veterans. Councilmember Gonzales requested to see the full funding obligations on budget presentations. Councilmember Perry noted that the City controlled 20% of the Property Tax Bill and he would like to provide relief to homeowners so they can continue to live in their homes. Councilmember Pelaez asked of the impact of the City of San Antonio providing a decrease in property taxes. Mr. Gorzell stated that the amount could be taken by the other taxing entities and that could result in no decrease to property owners.

Councilmember Perry asked if the number of cadets should be counted when looking at vacancies filled. Mr. Walsh replied that they are counted in order to get a better understanding of the number of vacancies. He added that they did not have any patrol vacancies as the shifts were filled by using overtime. Councilmember Perry stated that he would like to have additional discussion regarding the filling of authorized positions. Councilmember Viagran referenced the statistic regarding increased arrests and asked how many were repeat offenders. Mr. Walsh replied that he did not have that information but would work on same. Councilmember Viagran requested that information and the associated costs. Mayor Nirenberg asked of the addition of 25 Police Officers. Mr. Walsh replied that they would be included in the number of Total Authorized Positions but noted they needed to fill the difference between the Authorized and Filled Positions. Mayor Nirenberg asked of the decrease in use of force incidents and calls for service. Mr. Walsh replied that they had seen a decrease in use of force after the implementation of Body Cameras while calls for service had decreased through the use of community policing.

Councilmember Courage asked if Officer-involved shootings had increased or decreased. Mr. Walsh stated that he would provide that information to the City Council. Councilmember Courage asked if the 3% increase in Police Officers since 2011 was comparable to the amount of growth. Mr. Walsh stated that they had not compared same in the past but utilized cost and calls for service to determine the required amount of resources. Councilmember Perry expressed concern with adding Police Officers without filling the current amount of Officers necessary. Councilmember Brockhouse expressed concern with the large amount of overtime.

Councilmember Sandoval asked of the status of applying equity to each department. Alex Lopez replied that they had worked with 20 departments so far and hoped to work with all before next year.

RECESSED

Mayor Nirenberg recessed the meeting for a break at 1:57 pm.

RECONVENED

Mayor Nirenberg reconvened the meeting at 2:08 pm.

HOUSING

Mr. Gónima asked the City Council for direction on the topic of Housing. Mayor Nirenberg stated that housing should be a priority noting the large amount of growth that the City of San Antonio continues to experience. He spoke of the challenges to housing and the work of the Housing Task Force to address them. He noted that his hope was that they bring forth recommendations that could be utilized by staff to present during the budget process. Councilmember Viagran stated that she would like for the City Council to formally approve the recommendations before moving forward with a budget action plan. Councilmember Treviño stated that housing should be a priority and asked that staff look at renter's rights and assistance available to them. He asked that staff also look at Building Codes and their impact on housing. Councilmember Courage stated that he concurred that housing should be a priority but also felt the City Council should have final input on the Housing Task Force recommendations.

Councilmember Sandoval stated that she would like to see an Anti-Displacement Policy and better education regarding affordable housing. She spoke in support of a financing tool for Owner-Occupied Rehabilitation. Councilmember Shaw stated that he was supportive of allocating funding toward housing but expressed concern with increased taxes and other investments that could negatively impact homeowners. Councilmember Brockhouse requested that they look at eliminating fees and regulations to remove barriers for homeownership. Councilmember Saldaña spoke of the importance of smartly tailoring housing funds to address recommendations from the Housing Task Force. Councilmember Pelaez spoke of the need to engage for-profit developers and address some of the issues to development. He stated that there should be better education for renters and homeowners. Councilmember Gonzales stated that many of the housing issues in District 5 were related to wills and titles and helping residents solve those issues would help them with their homes.

PUBLIC SAFETY

Councilmember Viagran requested a Police Substation in District 3 and spoke of the importance of protecting women and girls related to Domestic and Partner Violence. Councilmember Shaw stated that there was not a Police Substation in the Northeast Side of District 2 but he was open to a Satellite Office. He added that he would like to purchase equipment to help SAPD address crime such as pods that can be moved throughout the city

to deter auto theft. Councilmember Saldaña spoke in support of additional funding for the Mental Health Unit. Mayor Nirenberg concurred with Councilmember Saldaña regarding the need to increase resources for the Mental Health Unit. Councilmember Treviño also expressed support for additional funding for the Mental Health Unit and asked that equipment be added to the Park Police that allows for better mobile patrol. Councilmember Perry spoke against the addition of Police Officers until the current authorized positions are filled. Councilmember Brockhouse stated that he did not believe the current allocation of Police Officers was sufficient and would like to look at the policy regarding overtime.

Councilmember Pelaez spoke of the need to invest resources to address Domestic Violence. Councilmember Viagran spoke in support of adding Police Officers sooner than later due to the great amount of growth throughout the city. Councilmember Shaw spoke of the need to address Domestic Violence through additional funding sources such as Delegate Agencies. Councilmember Courage asked that staff look at retaining Police Officers that may be retiring through the use of incentives instead of paying overtime. Councilmember Sandoval spoke of the need to continue strategic policing and expressed support for investing in equipment or software that would free up a Police Officer's time and better track cases. She stated that she was supportive of funding for Domestic Violence and the Mental Health Unit. Councilmember Shaw requested the use of Court-Appointed Attorneys for certain crimes committed at a Class C Level at Municipal Court.

COUNCIL AIDE COMPENSATION

Councilmember Treviño spoke of the great amount of work performed by Council Aides and requested funding for 8 Full-Time Equivalents to include benefits. Councilmember Pelaez concurred with the recommendation. Councilmember Saldaña expressed support for the recommendation. He stated that with regard to City Employee Compensation; he would like to increase the amount of COLA for City Employees on the Step Plan that have maxed out of their pay range. Councilmember Sandoval stated that she was supportive of reviewing compensation for Council Aides. Councilmember Gonzales stated that she was generally supportive of the recommendations for Council Aide Compensation but would like to review in further detail. She noted that she does not feel that there should be so many restrictions on the pay cap and number of employees. Councilmember Courage asked of the amount budgeted for this year and last year. Mrs. Villagomez replied that \$403,000 was budgeted this year and \$350,000 last year. Councilmember Courage expressed support for the recommendations for Council Aide Compensation.

Mr. Gónima asked for consensus regarding the request from Councilmember Saldaña to increase the COLA for City Employees on the Step Plan that have maxed out of their pay range. Councilmember Viagran expressed her support. Councilmember Courage also expressed support but added that he would like to see a 2% COLA across the board. Councilmember Shaw expressed support for a 2% COLA.

RECESSED

Mayor Nirenberg recessed the meeting for a break at 3:20 pm.

RECONVENED

Mayor Nirenberg reconvened the meeting at 3:32 pm.

STREETS/SIDEWALKS

Mayor Nirenberg stated that there was broad consensus regarding the overall budget for Streets. He recommended that additional resources be allocated to areas that have been underserved within each district irrespective of district boundaries. He further expressed support for leveraging resources through the use of Opportunity Zones or Vision Zero funding. Councilmember Gonzales asked if an Ordinance change would be required regarding the maintenance of sidewalks. Mr. Frisbie replied that a change would be required as currently; the property owner is responsible for maintenance of their sidewalk. Councilmember Gonzales stated that she would like to explore that change. Councilmember Treviño stated that it would also require a change to the City Charter. Andy Segovia stated that sidewalks were addressed in the Charter but may not require a change depending on the language. Councilmember Treviño stated that he would like to invest in a Sidewalk Master Plan and perform a Condition Assessment. Councilmember Pelaez spoke in support of the investment in Smart and Innovative Infrastructure and Traffic Management. He expressed support for a Sidewalk Master Plan.

Councilmember Viagran expressed support for increasing the budget for Streets to \$110 million and looking at equity data to determine how to distribute the funds. She asked of the cost of a Sidewalk Master Plan. Mr. Frisbie replied that he did not have an exact amount but they were working on same. Councilmember Courage expressed support for continuing to address underserved streets throughout the city. He spoke of private streets in District 9 that need direct attention and stated that he would like to further discuss the issue. Councilmember Gonzales spoke of the importance of addressing the extensive need for sidewalks but did not concur with providing funding for private streets. Councilmember Brockhouse expressed concern that District 6 did not receive additional street funding in the last budget. He noted specific streets in District 6 that were in great need of repair and requested that they look at something other than equity to determine the distribution of funds.

Councilmember Perry stated that he would like to combine some principles from equity and rough proportionality to come up with a better option for funding priorities. Councilmember Viagran stated that she would like to maintain the commitment to addressing the streets in greatest need. Councilmember Sandoval concurred and added that she would like to have a

thorough discussion regarding the use of equity in the Transportation and Capital Improvements Department. Councilmember Saldaña stated that he also agreed that they should continue to address their plan for streets and have further discussion on how to allocate the additional \$11 million.

PROPERTY TAXES/DEBT FINANCING

Councilmember Perry expressed concern with the increasing property values and stated that there was an opportunity for the City of San Antonio to show a good faith effort to tax relief by offering at least a 5% Homestead Exemption. Councilmember Shaw stated that he was not supportive of reducing property taxes as those funds were used for basic services such as public safety and street maintenance. Councilmember Brockhouse stated that he concurred with Councilmember Perry and was supportive of offering a Homestead Exemption. He added that he would like to have a conversation on budget cuts in order to support the reduction of property taxes. Councilmember Viagran stated that she could not support a decrease in property taxes and would like to look at addressing the issue through the State Legislative Session. Councilmember Courage stated that although homeowners needed tax relief; he could not support a Homestead Exemption at this time. However, he would be open to looking at the impact of a \$5,000 exemption.

Councilmember Pelaez stated that he did not have the data to support a Homestead Exemption. Councilmember Sandoval stated that there was already a lack of resources to meet current needs and she could not support a property tax reduction. Councilmember Treviño stated that he did not support a Homestead Exemption due to the great amount of need throughout the city. He added that he would like to discuss property tax relief through the State Legislative Session. Councilmember Brockhouse stated that he would like to offer a greater amount of tax relief for Disabled Veterans. Councilmember Courage stated that he would be supportive of evaluating the impact of tax relief for Disabled Veterans. Councilmember Shaw stated that there was already an exemption in place for Veterans. Councilmember Brockhouse requested a greater amount of exemption based on level of disability. Councilmember Saldaña stated that he needed additional information. Mr. Gorzell clarified that the exemption was for all Veterans and could not be applied to only Disabled Veterans; however, an additional exemption could be offered to Disabled Individuals.

Mayor Nirenberg stated that he would like to offer property tax relief but in a meaningful way and expressed concern that a small amount of relief would require a large amount of investment. He expressed support for tax relief for Disabled Veterans. He added that the State Legislature was responsible for the large increase in property taxes.

Mr. Gónima provided a summary of the discussion and stated that the information would be used to guide staff on budget priorities.

Mrs. Sculley confirmed that there was not direction to place an item regarding property tax relief on a Council Agenda before July 1st.

Mayor Nirenberg thanked everyone for their participation. He stated that he could not understate the challenges due to the great amount of growth that San Antonio would be experiencing.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 4:45 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

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