

City of San Antonio



AGENDA City Council Special Session

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, August 28, 2019

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the City Council Chamber of the Municipal Plaza Building. City Clerk Leticia 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, Sandoval, Pelaez, Courage, and Perry.

Mayor Nirenberg opened the meeting welcoming everyone to the Budget Worksession. City Manager Erik Walsh kicked off the Budget Work Session schedule and introduced the presenters on the agenda.

- 1. Staff presentation of the FY2020 Proposed Budget focusing on, but not limited to, the following City Departments or Initiatives: [Erik Walsh, City Manager; Justina Tate, Director, Management and Budget]**

A. Airport

Russ Handy stated that the San Antonio Airport System (Airport System) operated with an Enterprise Fund which was supported by tenant and passenger user fees and Federal Grants. He noted that Federal Law governed the entire Airport System and mandated that airport revenues be utilized for airport operations and capital improvements. He stated that the vision of the Airport System was to be an exceptional airport system generating prosperity for South Texas and the mission was to empower a professional team to provide optimal air service and a phenomenal customer experience. He reviewed the revenues and expenditures associated with the proposed Fiscal Year (FY) 2020 proposed Budget which was \$200.1 million. He noted that the airport surpassed 10 million passengers in 2018 and was in the thirty-seventh month of record growth. He stated that a new country, a carrier serving three locations, and 13 additional flights were added. He noted that new programs have been added to enhance the customer experience and the airport was rated top in class in the world for the Airport Service Quality Award. He stated that equity was embedded in Aviation with the implementation of:

- Aira to assist low vision, blind passengers
- Programs to support disadvantaged youths access aviation careers

- Multilingual Airport Ambassador Program and funded translation services
- Established Diversity and Inclusion Committee for employees

Mr. Handy noted the following FY 2020 goals:

- Install adult changing stations in family bathrooms
- Improve closed captioning services for airport announcements
- Continue to support youth programs
- Operationalize activities of Diversity and Inclusion Committee

He stated that the proposed FY 2020 Budget included funding for a five-member Customer Service Member Operations Team which would enhance the customer experience from curb to gate and increase revenue. He noted that Phase 1 of the Strategic Development Plan was concluded and Phase 2 had begun. He stated that in FY 2019 a number of capital programs at Stinson Municipal Airport were completed including new monument signage, and a bike and hike trail. He noted that the proposed FY 2020 Budget included a \$52.1 Capital Improvement Program which was focused on: 1) Infrastructure; 2) Improvements; and 3) Increased capacity. He stated that the key priorities in FY 2020 were air service retention, near term capacity expansion, and strategic planning.

B. Convention and Sports Facilities

Patricia Muzquiz Cantor stated that the mission of the Convention and Sports Facilities (CSF) Department was to enrich San Antonio's economy and community through exceptional people, events, and facilities. She noted that the department manages and oversees the operations of the Henry B. Gonzalez Convention Center (HBGCC), the Carver Community Cultural Center, and the Alamodome. She provided an overview of all three facilities and stated that the department managed leases for Wolff Stadium and Toyota Field. She reviewed the following FY 2019 highlights:

- 720 events with 1.8 million attendees
- Increased Alamodome revenues and short-term HBGCC bookings
- Increased employee engagement and Alamodome Guest Assist Program
- Digital kiosks and free author talk for SAISD Students

She presented the following FY 2020 highlights:

- Leverage relationships
- National League of Cities DoD Warrior Games and Herbalife
- Capital Finance Plan
- Parking Point of Sales System

She noted that equity was embedded in CSF in the following ways:

- Support community events
- Carver arts and education opportunities
- Title I Job Shadowing Program

Ms. Muzquiz Cantor stated that the FY 2020 goals for embedding equity included:

- Expand job shadowing
- Fan-friendly pricing

She stated that the portion of the Hotel Occupancy Tax (HOT) designated to the City was divided amongst the following: 1) Annual Convention Center debt payment; 2) Visit San Antonio; 3) Community and Visitors Facilities Fund; 4) History and preservation; and 5) Arts and culture. She noted that the total proposed Budget for CSF was \$97.9 million with the largest portion supporting the Convention Center and the Alamodome. She stated that the proposed Budget reflected an increase of \$2.1 million over the FY 2019 Budget. She reviewed the revenue enhancements for the Community and Visitor Facilities Fund, the Carver General Fund, and the Carver Special Revenue Fund. She noted that \$21.2 million for projects for the department were included in the six-year Capital Improvement Plan (CIP). She stated that the projects included:

- \$3.8 million for Alamodome vertical transportation
- \$13.5 million for Alamodome retractable seating
- \$900,000 for Convention Center vertical transportation
- \$3.0 million for Convention Center roof replacement

C. Arts and Culture

Debbie Racca-Sittre stated that the mission of the Arts and Culture Department was to enrich the quality of life by leading and investing in San Antonio arts and culture. She noted that this was accomplished with oversight by the San Antonio Arts Commission. She stated that the department was comprised of four divisions and the Director's Office. She noted that the department provided programming for a community which was underserved and did not have access to programs that reflect their culture and identity. She stated that the FY 2020 proposed Budget for the department was \$12.1 million with the majority of the funds coming from the HOT. She noted that FY 2019 progress in embedding equity in arts and culture included:

- Implementation of equity-focused Cultural Plan
- Exhibits targeting artists of color
- Targeted agency investments through culturally specific support
- Implementation of new data tools

She stated that FY 2020 enhancements to be made included:

- Policy for paying artists
- Increase marketing and outreach to low income and communities of color
- Increased culturally specific funding by \$268,803
- Disaggregated data collection

Ms. Racca-Sittre noted that the FY 2020 goals for the department included: 1) Implement Cultural Districts Framework; 2) Develop Performing Arts Plan; and 3) Implement Public Art Plan.

D. Visit San Antonio

Cassandra Matej stated that tourism was the third largest industry in San Antonio and over 37 million visitors were welcomed to San Antonio. She noted that this represented \$15.2 billion in economic impact. She spoke of the partnership with the Aviation Department, the World Heritage Office, and the Government and Public Affairs Department. She stated that the San Antonio Tourism Public Improvement District (SATPID) became effective on January 1, 2019. She noted that properties within the district with 100 rooms or more collect a 1.25% assessment on the sale of a room. She stated that more than 90% of funds collected were utilized for the core mission of sales and marketing and she provided examples of use of the funds. She noted that measures for success included job growth, incremental taxes, more funding for arts and historic preservation, and visitation. She reviewed the trends which may be present and the following organizational priorities:

- San Antonio awareness
- New meetings and partner websites
- VisitSanAntonio.TV
- US Travel IPW

Ms. Matej stated that organizational priorities for Visit SA included:

- Long-term citywide sales
- Destination management
- Corporate partnerships
- Financial stability
- Employer of choice
- Visitor Information Center

She stated that Visit San Antonio has booked 2020 groups which represents \$310 million in economic impact. She noted that the 2020 preliminary Revenue Budget was \$38.1 million with \$25 million coming from the HOT.

Mayor Nirenberg asked if trends on market had been observed. Ms. Matej replied that market share could be an indicator to keep in mind. Mayor Nirenberg asked of the progress of the street performance policy. Lori Houston stated that the Busking Policy focused on Market Square and La Villita and staff were partnering with Centro to activate Houston Street. Mayor Nirenberg asked if a funding strategy or infrastructure plans would be brought before City Council for Phase 2 of the Strategic Development Plan at the airport. Mr. Handy replied that both would be brought before the City Council. Mayor Nirenberg asked if the City had the opportunity to reassess whether or not solar could be placed on the roof of the Convention Center. Ms. Muzquiz Cantor replied that adding solar to the roof was being reviewed by engineers and the City may have to invest more for solar.

Councilmember Sandoval asked of the use of buses at the airport. Mr. Handy stated that the curb space was reconfigured to make the boarding area less congested, safer, and more efficient. He noted that the location of the commercial transportation was centralized, signage was updated, and a marketing campaign was initiated. Councilmember Sandoval requested the Business Plan for Visit SA. Ms. Matej stated that the Visit SA Business Plan would be distributed in October.

Councilmember Peláez asked of the progress of the Federal Inspection Station. Mr. Handy stated that the Federal Inspection Station was outdated, very small, and not compliant with new Federal standards. He noted that it would be expanded and renovated and would more than double the current capacity. Councilmember Peláez requested that funds be redirected to Musical Bridges Around the World and the San Antonio Museum of Art. Erik Walsh stated that the item would be added to the list of possible amendments.

Councilmember Viagran noted the absence of the African-American Community from those receiving culturally specific funding. She asked if performers could get paid who served on the Arts Commission. Ms. Racca-Sittre replied that if performers participated in the selection process they could not be paid.

Councilmember Rocha Garcia asked if the concession revenue was affected by the number of cars parked for an extended period of time. Mr. Handy replied that it was not. Councilmember Rocha Garcia asked if the Alamo Bowl assisted with improvements. Ms. Muzquiz Cantor replied that the Alamo Bowl provided \$60 million for improvements. Councilmember Rocha Garcia requested a historical record of culturally specific funding. Ms. Racca-Sittre stated that she would provide a five-year history.

Councilmember Andrews-Sullivan asked of payments received from Rental Car Companies. Mr. Handy stated that the City received rents and fees based on the volume of Rental Car Companies and a percentage of their revenue. Councilmember Andrews-Sullivan asked of the eligibility requirements for culturally specific funding. Ms. Racca-Sittre stated that the agency must have a paid executive, must be operating for three years, and its mission must be specific to that culturally specific area.

Councilmember Courage requested that Aviation partner with the FAA address concerns from residents regarding sound. Mr. Handy stated that the concerns would continue to be addressed through the FAA's Noise Abatement Program. Councilmember Courage asked of funding for the San Antonio Symphony. Ms. Racca-Sittre stated that the art funding guidelines were utilized and were based on a formula, based on the size of the organization. She noted that the San Antonio Symphony was receiving more than their share previously so their share was reduced.

Councilmember Cabello Havrda asked of the short and long-term plans for Wolff Stadium. Ms. Muzquiz Cantor stated that CSF wishes to continue collaboration with the San Antonio Missions. She noted that in January 2019, City Council approved renovations to the facility to include renovation of the home and visitor clubhouses, waterproofed seating, and adjustment of lighting levels.

Councilmember Perry asked if staff had reached out to other cultural groups to see if they were eligible to apply for culturally specific funding. Ms. Racca-Sittre replied that they had not. Councilmember Perry

requested the target for the previous two years for Alamo Event Days. He also asked what the additional five positions for Aviation were for. Mr. Handy replied that the additional five positions would comprise a customer experience operations team. He noted that it was very common in industry practice.

Councilmember Treviño suggested that hours of operation and types of aircraft be reviewed regarding noise in areas surrounding the airport. He expressed support for promoting general aviation.

Mayor Nirenberg cautioned against operating outside of the process regarding awarding culturally specific funding.

RECESSED

Mayor Nirenberg recessed the meeting at 5:50 pm.

EXECUTIVE SESSION

- 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. Deliberate the deployment of security personnel, critical infrastructure, or security devices and related legal issues pursuant to Texas Government Code Section 551.076 (security devices), Section 551.089 (security devices and audits) and Section 551.071 (consultation with attorney).

RECONVENED

Mayor Nirenberg reconvened the meeting at 6:15 pm and announced that no action was taken in Executive Session.

PUBLIC HEARING

Maria Villagómez stated that the FY 2020 proposed Budget did not include a property tax rate increase. She noted that the existing rate of 55.87 per \$100 in valuation would remain the same in the FY 2020 proposed Budget. She stated that the FY 2020 proposed Budget addressed City Council and community priorities including strong families and children, police, affordable housing, streets and sidewalks, and property tax relief. She noted that the taxable valuation percent change from the prior year was 5.6%. She stated that the FY 2020 proposed Budget includes approximately \$61 million in property tax relief and includes the

Homestead Exemption approved by City Council in June 2019. She noted that this would become effective on October 1, 2019.

Mayor Nirenberg opened the public hearing on the property tax rate.

Victoria Garcia spoke in support of a cost of living adjustment for employees and economic equity.

Dominique De La Cruz spoke in support of a cost of living adjustment accompanied by a scheduled step increase for employees.

Liz Franklin expressed support for a feasibility study for a Police Substation in District 3.

Sarah Momadally expressed support for funding of sidewalks, cycling, and pedestrian safety projects and walking and biking infrastructure.

Tony Hargrove spoke in support of the proposed Budget items for the Ella Austin Community Center.

Mayor Nirenberg stated that the second of the two Budget and Property Tax Rate Public Hearings would be held on Wednesday, September 4, 2019, beginning at 6:00 pm in the City Council Chamber. He noted that the City Council would vote on the City of San Antonio property tax rate for tax year 2019 at its meeting on Thursday, September 12, 2019 at 9:00 am in the City Council Chamber. He stated that the first of the two combined FY 2020 Budget and tax rate hearings was closed.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 6:30 pm.

APPROVED

RON NIRENBERG
MAYOR

Attest:

LETICIA M. VACEK, TRMC/CMCMMC
City Clerk