

City of San Antonio



City Council Special Session

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Friday, June 26, 2020

9:00 AM

**Henry B. Gonzalez Convention
Center, 900 E. Market**

The City Council of San Antonio convened in the Stars at Night Ballroom in the Henry B. Gonzalez Convention Center, 900 East Market, San Antonio, Texas 78205.

ROLL CALL

The City Council convened in a Special Meeting. Acting City Clerk Tina J. Flores took the Roll Call noting a quorum with the following Councilmembers present:

PRESENT: 11 - Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry

1. City Council Budget Goal Setting Session establishing Budget Policy direction that will guide the development of service priorities for the FY 2021 proposed Budget and the FY 2022 Budget Plan to include possible action on matters presented and discussed. [Maria Villagomez, Deputy City Manager; Scott Huizenga, Director, Management and Budget]

Mayor Nirenberg welcomed everyone to the Budget Goal Setting Session. He led the meeting in a moment of silence in honor of Retired Police Officer Albert Castillo, a close friend and colleague who passed away last night. He stated that Mr. Castillo served the City for three decades in the San Antonio Police Department (SAPD) and served under 10 Mayors as the Chief of Security.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting at 9:20 a.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).
- D. Legal issues related to litigation involving the city pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- E. Discuss legal issues relating to COVID-19 preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the meeting at 9:32 a.m. and announced that no action was taken.

OPENING REMARKS

Mayor Nirenberg announced that the purpose of the Budget Goal Setting Session was to set the community's priorities in the City's FY2021 and FY2022 Budget. He reported that the City was required statutorily to pass a balanced budget. He stated that this would be the most challenging budget ever to be assembled for the City of San Antonio due to COVID-19.

City Manager Erik Walsh stated that the job before the City Leaders was to ensure that the City financially recovered from COVID-19. He reported that all three bond rating agencies, Standard Poor's, Moody's Investor Service, and Fitch Rating had reaffirmed their AAA bond ratings for the City. He noted this was an important achievement that granted the City a significant vote of confidence and affirmed a stable outlook, especially when compared to other municipalities that were also placed in the negative due to COVID-19. He thanked staff for their hard work.

Desired Outcomes of the Work Session

- Endorse Financial Policies with some flexibility
- Overall support for the Trial Budget with potential funding alternative to increase funding for streets and continue support to Arts
- Develop a long-term plan for police services that focused more on social services than solely relying on police response
- Continue focus and investment on Public Health strategic plan priorities
- Endorse \$10 million contribution to VIA over the next five years with flexibility for route frequency in FY 2021

The Budget Session resulted in agreed upon guidelines for working together and key priorities. The following key priorities were identified by the Mayor and City Councilmembers to guide staff in development of the FY 2021 Budget and the FY 2022 Plan:

- Financial Policies and Community Input on Trial Budget
- Police Budget
- Public Health and Community Resiliency and Recovery Plan
- Streets and Transportation
- Hotel Occupancy Tax Fund

BUDGET DISCUSSION – POLICY AREAS

City Staff presented on the following topics:

Financial Policies and Resident Comments on Trial Budget – Maria Villagómez, Deputy City Manager; Jeff Coyle, Director, Government and Public Affairs Department

Police Budget – Chief William McManus; Maria Villagómez, Deputy City Manager

Public Health & Resiliency and Recovery Plan – Dr. Colleen Bridger, Assistant City Manager and Interim Health Director

Streets and Transportation – Raz Hosseini, Public Works Director

Hotel Occupancy Tax Fund – Carlos Contreras, Assistant City Manager; Lori Houston, Assistant City Manager

FINANCIAL POLICIES

Mayor Nirenberg and City Council supported the following proposed Financial Policies:

- Maintain a minimum General Fund ending balance of 15%
- Manage structural balance in the General Fund
- Address Internal Fund deficits within 3-5 years
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate
- Annually review property tax relief with a focus on homeowners
- Annually review and periodically adjust fees and charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals

Flexibility on Financial Policies:

- Examine the General Fund and Capital Budget Contingencies in FY 2021 under the current financial environment as presented in the FY 2021 Trial Budget

Additional Budget Request Related to Financial Policies:

1. Revisit and potentially reduce the percentage of Public Safety spending in the General Fund. Additionally, work to establish five, ten, fifteen, and twenty-year goals to significantly reduce the 66% of Public Safety spending.

POLICE BUDGET

Mayor Nirenberg and City Council supported the following proposed Police Budget Policies:

- Request that the Public Safety Committee review Police Programs and Budget in detail and make recommendations for potential redirection of services and/or funds
- Identify funding within the existing Police Budget to fund the City's match for the 2021 COPS grant
- Examine amending COPS grant application to allow for potential investment on non-profits who provide domestic violence services

- Find a balance in the Budget where proper investment is placed on community needs and reducing over time the percentage of the Budget allocated to Public Safety services
- Review and recommend enhancements to Police Cadet training and annual Police training
- Enhance violence prevention and community engagement programs
- Evaluate holding positions that become vacant as a result of retirements to fund other programs

Additional Budget Requests Related to Police:

1. Study programs like Crisis Assistance Helping Out On The Streets (CAHOOTS)
2. Study if Towing services managed by Police Department could fit in a different department
3. Maintain Police funding and do not decrease the number of Police Officers

PUBLIC HEALTH & RESILIENCY AND RECOVERY PLAN

Mayor Nirenberg and City Council supported the following implementation of the Resiliency and Recovery Plan presented and the next steps:

- Monthly Reporting Dashboards
- Develop Pillars Co-Branding/Marketing Strategy
- Scale existing strategies and implement new strategies
- Begin monthly reports to City Council

Mayor Nirenberg and City Council supported the Public Health Strategic Plan focus areas and funding for FY 2021:

- Advanced Childhood Experience (ACEs) and Trauma Informed Care
- Violence Prevention
 - Standup SA Program
 - Triple P Program
 - Too Good for Violence
 - Violence and Domestic Violence

Additional Budget Requests Related to Public Health:

1. Study alternatives to set aside funding to address health disparities
2. Provide some alternative for addressing individuals with physical and cognitive disabilities beyond programs already provided by Metro Health

STREETS AND TRANSPORTATION

Majority of City Council supported the following recommended funding for the Street Maintenance Program and approach to allocate the funding in FY 2021:

- \$19.5 Million allocated based on size of Council District’s network
- \$19.5 Million allocated based on condition of Council District’s network
- \$43 Million dedicated to deferred projects
- Support for sidewalks (new sidewalks and maintenance of existing)
- Endorse \$10 million contribution to VIA over the next five years with flexibility for route

frequency in FY 2021

- Support the acceleration of 2017 Bond Projects

Additional Budget Requests Related to Street and Transportation:

1. Concern about reducing the funding for street maintenance, find additional funding for street maintenance through debt capacity, City-initiated Tax Increment Reinvestment Zones (TIRZ), or other sources
2. Develop a dashboard report of NAMP projects by Council District

HOTEL OCCUPANCY TAX FUND

Mayor Nirenberg and City Council supported the following proposed Hotel Occupancy Tax – Arts Financial Policies:

- Focus on finding creative ways to fund the Arts, provide opportunities to Artists in existing funded projects city-wide, and look at every possible way the City can support the Arts
- Identify other revenue streams for the Arts, rather than relying solely on the Hotel Occupancy Tax (potentially look at TIRZ funding)

Additional Budget Request Related to Hotel Occupancy Tax Fund:

1. Find alternatives for furloughed employees

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting at 3:52 pm. 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).
- D. Legal issues related to litigation involving the city pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- E. Discuss legal issues relating to COVID-19 preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the meeting at 4:07 pm. and announced that no action was taken.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 4:09 pm.

APPROVED

RON NIRENBERG
Mayor

Attest:

TINA J. FLORES
Acting City Clerk