

**STATE OF TEXAS
COUNTY OF BEXAR
CITY OF SAN ANTONIO**

A WORK SESSION AND REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF SAN ANTONIO WERE HELD IN THE MUNICIPAL PLAZA BUILDING, WEDNESDAY, AUGUST 7, 2013, AND THURSDAY, AUGUST 8, 2013, RESPECTIVELY.

The San Antonio City Council convened in a Work Session at 2:00 pm Wednesday, **August 7, 2013**, Municipal Plaza Building, with the following Councilmembers present: Bernal, Taylor, Viagran, Gonzales, Lopez, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **ABSENT:** Saldaña.

1. PRESENTATION OF THE ANNUAL REPORT ON THE CITY'S 2007-2012 BOND PROGRAM BY THE CITIZEN BOND OVERSIGHT COMMISSION (CBOC) AND UPDATE BY CBOC AND STAFF ON THE CITY'S 2012-2017 BOND PROGRAM.

Mayor Castro thanked the Joint City-County Citizen Bond Oversight Commission (CBOC) for their work and recognized the Members that were present.

Mike Frisbie provided history of the CBOC, noting that it was established by the City Council in September 2003. He stated that there were 10 City Representatives and 10 Bexar County Representatives on the CBOC. He noted that they served in advisory capacity to keep the City Council and County Commissioners Court informed of Bond Programs. He indicated that the CBOC has increased the level of communication and coordination for Bond Program Implementation; added accountability; and increased public confidence in the value and necessity of Bond Programs. He explained that all appointees to the CBOC must be residents of Bexar County and that the Chair and Vice-Chair are selected jointly by the Mayor and County Judge. He added that appointees serve for two years and usually meet every other month. He introduced Ken Thomas, Chair of the CBOC, and Chris Corso, Vice-Chair.

Mr. Ken Thomas provided an overview of the CBOC Members noting that there was currently a vacancy due to the death of one of the Members. He outlined the CBOC Annual Report which includes a letter regarding Chair Transition and 2007 Bond Program Accomplishments. He highlighted the keys to a successful Bond Program and mentioned that they had established a Design Guidance Manual and performed Environmental and Real Estate due diligence.

Mr. Thomas reported that the 2007 Bond Program was approved by the voters on May 12, 2007. He stated that the Program included 150 projects totaling \$550 million in five Propositions. He indicated that 93% of the projects were complete and 7% were in the Construction Phase. He highlighted the projects by Proposition and noted that several projects were delayed due to the contractor going bankrupt. He added that the 2007 Bond Program was under budget and substantially complete as of June 2013.

Mike Frisbie highlighted the projects under construction that include Seeling Channel, Houston Street, and Broadway-Hildebrand. He reported that \$47 million in bond savings were reprogrammed on May

19, 2013 with 23 projects added and funds added to three existing projects. He indicated that seven of the new projects were complete and that 18 were in the construction and design phases.

Mr. Frisbie provided an update of the 2012 Bond Program noting that 70 projects were under design and five were under construction. He reported that 16 projects were pending Funding Agreements and 49 projects were in the Pre-Design Phase. He spoke of the 2012 Bond Dashboard in which the status of all projects were available online to the public. He highlighted the City of San Antonio PrimeLink Program in which there are 1,185 active users processing invoices for 312 projects. He indicated that the average number of days to process payment was 12 days.

Mr. Frisbie presented an overview of the Diversity Action Plan that was implemented to increase the African-American Business Enterprise participation in Bond Projects. He outlined the Small, Minority, Woman-Owned Business Enterprise (SMWBE) Participation in the Bond Program in which most goals were being exceeded. He spoke of the efforts to achieve the goal of increasing the number of Minority and Woman-Owned Firms in the Central Vendor Registry which include numerous meetings and hiring a marketing firm to develop a targeted media campaign. He stated that outreach activities include sponsoring an Annual Unity in the Community Event and hosting an outreach event for the Convention Center Expansion Project. He concluded by noting that the CBOC brings value to the Bond Program and that the 2012 Bond Program was set up for success.

Mayor Castro thanked everyone for their work on the Bond Programs and Diversity Action Plan. He stated that he was pleased with the Mentor-Protégé Program and that the ultimate goal was to create more contractors.

Councilmember Chan thanked the CBOC for their work and asked of the focus of their meetings. Mr. Thomas replied that they meet every other month and work with Mike Frisbie on the meeting agendas. He stated that they review the progress of construction on the projects to ensure that they are on schedule. He confirmed that the CBOC was not involved in the scope of work of a project and focused on the process. Councilmember Chan asked of the number of design contracts. Mr. Thomas reported that 70 projects were in the Design Phase and 49 were in the Pre-Design Phase. Mr. Frisbie added that the City Council had approved 86 contracts and 39 of them had been executed. Councilmember Chan asked of the reason for the delay. Mr. Frisbie replied that there were challenges with the negotiation process with the contractors to include project scope and hourly rates/fees. Councilmember Chan asked of the development of the project schedule. Mr. Frisbie replied that it was created by the staff and they had since revised the schedule based on feedback with the utility companies and consultants. Councilmember Chan requested an updated project schedule with more details.

Councilmember Bernal asked of the efforts to ensure that projects along major corridors stay on schedule. Mr. Frisbie replied that heavy rains could cause delays to projects and that they worked with the contractor on phasing the project to ensure it remains on schedule. Councilmember Bernal spoke in support of the 5-Year Diversity Action Plan and asked of greater participation. Mr. Frisbie responded that it was part of the training for small businesses. Rene Dominguez added that it was an effort to build capacity and geared toward their needs.

Councilmember Nirenberg asked of the status of the projects that had been assigned to Ballenger Construction. Mr. Frisbie replied that there were four projects affected that would have new completion dates. The Rittiman Bridge Project is scheduled for completion in October 2013; Culebra

58 Phase 2B in December 2013; Hunt Lane in February 2014; and Marbach Road in November 2013. Councilmember Nirenberg asked if there were any safeguards to ensure this did not occur again. Mr. Frisbie replied that they utilized a Score Card Process and held an Administrative Hearing. He noted that in the case of Ballenger Construction; they low-bid too many projects and were spread too thin.

Councilmember Lopez asked if staff considered the quality of the Bonding Company. Debbie Sittre replied that the Contract Services Division conducts due diligence on the bonding and ensures that they are a licensed surety and can conduct business in Texas. Councilmember Lopez referenced the Ballenger Contract and what was being done so that this would not occur again. Ms. Sittre stated that they have learned how to identify fake Surety Companies and call the companies to verify. She added that Ballenger had performed well in the past and that it would have been difficult for the city or Texas Department of Transportation to have known that they would default on their contracts. Councilmember Lopez

Councilmember Taylor thanked everyone that had been involved in the 5-Year Diversity Action Plan.

2. STAFF BRIEFING AND UPDATE TO CITY COUNCIL ON THE PRE-K 4 SA PROGRAM WHICH BEGINS OPERATION OF THE INITIAL TWO EDUCATION CENTERS SERVING 700 FOUR-YEAR-OLDS ON AUGUST 26, 2013.

Richard Perez, Former Councilmember and Pre-K 4 SA Board Member stated that he was speaking on behalf of Board Chair Elaine Mendoza. He recognized Board Member Pamela Ray who was in attendance. He noted that the Pre-K 4 SA Board had been meeting twice a month since February and was pleased with the great work of City Staff. He indicated that they were ready to open on August 26, 2013 and looked forward to further developing policy. He introduced Kathy Bruck, Pre-K 4 SA Chief Executive Officer.

Ms. Bruck stated that the purpose of Pre-K 4 SA was to improve the quality and quantity of Pre-K Education for four year-olds Citywide. She noted that their goal was to educate 22,000 children over eight years in partnership with the School Districts and other education providers. She reported that they would provide services in city facilities and that the Initiative was funded by 1/8th cent Sales Tax. She provided a list of the Pre-K 4 SA Board of Directors and highlighted the five Board Committees: 1) Academic Readiness; 2) Operational Services; 3) Personnel; 4) Communications; and 5) Professional Development.

Ms. Bruck outlined the Program Eligibility in which children must be four years old on or before September 1st. She noted that there were various criteria for free tuition and that remaining students would pay a Sliding Tuition Fee. She highlighted the Service Model that included two Initial Model Centers and two Additional Model Centers. She explained that the budget was guided by Pre-K 4 SA Bylaws and that their Fiscal Year operated from July 1st through June 30th. She mentioned that the San Antonio City Council approves the budget adopted by the Pre-K 4 SA Board before July 1st. She provided an overview of the FY 2013 Budget totaling \$828,684 that was used for Marketing, Initial Curriculum, Consultant Services, and Staff. She indicated that the FY 2014 Budget totaled \$23 million to serve 700 children at two Education Centers. She reported that 154 of the 156 Authorized Positions were hired and that the Agreement with seven participating School Districts had been executed.

Ms. Bruck provided an overview of the Operational Plan and reported that the North and South Education Centers were completed. She reported that the Education Centers would operate Monday through Friday from 8:00 am to 3:00 pm and that free After School Programming would be offered from 3:00 to 6:00 pm. She mentioned that the calendar aligns with other School Districts to include 177 Student Days and regularly scheduled holidays. She stated that the After Care Program would provide children with enhanced educational enrichment and recreational activities. She highlighted the free transportation that would be provided in which five depots per Education Center will serve as drop-off and pick-up points for parents. She reported that the facilities would exceed licensing requirements in which there would be a 10:1 Ratio. She outlined the daily schedule and noted that Frog Street Press was the curriculum that would be utilized. She showed a sample Lesson Plan and room layout. She spoke of the food service that would be provided by Selrico that included breakfast, lunch, and afternoon snacks.

Ms. Bruck reported that the Board had selected Edvance in partnership with the National Institute of Early Education Research at Rutgers University to conduct: 1) A Study of Pre-K Students' performance through at least Third Grade; 2) A study to determine how well participating Districts' Kindergarten Readiness Assessments align with Texas Pre-Kindergarten Guidelines; and 3) Independent Semi-Annual Progress Reports for the Pre-K 4 SA Board, City Council and the public. She highlighted school opening activities to include Back to School Fairs, Convocation for all Staff, and Open Houses. She reported that Parent Resource Centers would be staffed by Family Specialists in all Education Centers and that parents and guardians would sign Family Commitment Contracts. She outlined the Professional Development that had occurred and would be provided in the future.

Mayor Castro thanked staff for the presentation and asked of the plan to provide Professional Development to other Teachers not participating in Pre-K 4 SA. Ms. Bruck replied that they had 14 Coaches that would be reaching out to the School Districts regarding available training. Mayor Castro stated that he was pleased with the Study that would be conducted by the National Institute of Early Education Research at Rutgers University.

Councilmember Lopez thanked everyone for their work and asked of the communication plan with both participating school districts and those that may not be participating this year. Ms. Bruck replied that they had a District Liaison with each of the participating districts and would also reach out to those that were not participating. She noted that professional development would be provided to other Teachers in the community. She added that they would update their website and make it more attractive to the community. Councilmember Lopez asked of the funding for the After School Program. Ms. Bruck replied that the program was funded within the Pre-K 4 SA Budget through the 1/8th cent Sales Tax. Councilmember Lopez thanked everyone for their work on Pre-K 4 SA.

Councilmember Chan asked of the professional development that would be provided. Ms. Bruck replied that they would provide professional development to improve Teaching Skills. Councilmember Chan asked of Master Teachers and their salary. Ms. Bruck replied that a Master Teacher had to have a great amount of experience, training, and has demonstrated high level skills in an Early Childhood Setting. Councilmember Chan asked of the average salary of Master Teachers. Ms. Bruck responded that the average salary was \$63,000. Councilmember Chan asked of the After School Program. Ms. Bruck replied that there would be Art, Music, Gardening and other Special Projects that would differ from their regular school day.

Councilmember Viagran congratulated everyone for their work on Pre-K 4 SA and asked if both Centers were at full enrollment. Ms. Bruck replied that the school districts were in the process of finalizing enrollment. Mrs. Sculley added that over 1,000 children were pre-enrolled and that there was also a waiting list. Councilmember Viagran asked of the updated that would be provided by the Pre-K 4 SA Board to the City Council. Mrs. Sculley responded that they would provide Quarterly Financial Reports to the City Council and could provide updates as the City Council requested.

Councilmember Gonzales asked of the security that would be provided at the Pre-K 4 SA Centers. Ms. Bruck replied that they would utilize the same system used by other school districts in which a person's Driver's License would be scanned. Additionally, visitors would only be allowed into certain areas. She spoke of the classroom security and security cameras that had been installed and noted that the only access to the playground was through the facility. Councilmember Gonzales asked how the slots were determined for each School District. Ms. Bruck explained that they used a snapshot of the number of students served by the School District on a particular day and that the larger School Districts had a larger number of slots.

Mayor Castro asked of the sliding scale tuition-based students. Ms. Bruck replied that the 70 slots had been filled. Mayor Castro thanked everyone for the presentation and stated that he looked forward to the success of the program.

EXECUTIVE SESSION

Mayor Castro recessed the meeting at 4:32 pm to convene in Executive Session for the purposes of:

- A. DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY AND DISCUSS RELATED LEGAL ISSUES PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.072 (REAL PROPERTY) AND 551.071 (CONSULTATION WITH ATTORNEY).**
- B. DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS AND DISCUSS RELATED LEGAL ISSUES PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.087 (ECONOMIC DEVELOPMENT) AND 551.071 (CONSULTATION WITH ATTORNEY).**

CITIZENS TO BE HEARD

Mayor Castro reconvened the meeting at 6:00 pm and announced that no action had been taken by the City Council in Executive Session. He called upon the individuals registered to speak.

Richard Farias addressed the City Council in support of the proposed Non-Discrimination Ordinance. He noted that the Marriott chain of hotels supported and advocated for Lesbian, Gay, Bisexual, and Transgender (LGBT) Initiatives.

Emmett Gonzalez spoke in support of the proposed Non-Discrimination Ordinance and noted that San Antonio was discriminatory against members of the LGBT Community.

David Plylar stated that he was now in support of the proposed Non-Discrimination Ordinance as specific language was removed. He spoke of discrimination faced by the LGBT Community.

Laurence Gonzalez spoke in support of the proposed Non-Discrimination Ordinance and noted the important role the Council had in impacting positive change in the community.

Rosalie Astran stated that she was in opposition to the proposed Non-Discrimination Ordinance as it would require restrooms, locker rooms, and dressing rooms to be shared and spoke of safety implications.

Loretta Carr spoke of the social and economic challenges faced by members of the LGBT Community and noted how the proposed Non-Discrimination Ordinance would prohibit housing discrimination.

Alanna Truitt addressed the City Council and spoke in support of the proposed Non-Discrimination Ordinance. She spoke of the benefits said Ordinance would have on the community.

Kelli Maples spoke in support of the proposed Non-Discrimination Ordinance and highlighted the positive impact the changes had in other communities.

Krystal Tomblin stated that she was in support of the proposed Non-Discrimination Ordinance as it ensured the equality of all individuals.

Dan Graney noted that he was in support of the proposed Non-Discrimination Ordinance as it ensured fairness and equality as well as prohibited bigotry and discrimination.

Julie Pousson addressed the Council and highlighted the discrimination she encountered while a patient at a local hospital. She requested that the Council approve the Ordinance.

Carlos Soto thanked the Mayor and Council for listening to members of the LGBT Community. He noted that he would continue to address the Council until the proposed Non-Discrimination Ordinance was passed.

Brian Lopez-Rosa noted that he and his partner were active members of the community and regularly volunteered for social causes. He spoke in support of the proposed Non-Discrimination Ordinance.

Rachel Melendez, Member of UNITE HERE, spoke in support of the proposed Non-Discrimination Ordinance. She noted that all individuals should be treated fairly and equally as well as with respect and dignity.

Jeanette Sullivan spoke of the challenges faced by members of the LGBT Community and noted that all individuals were created in the image of God. She requested passage of the proposed Non-Discrimination Ordinance.

John Cope spoke in opposition to the Ordinance as it would take away the rights of one group and give them to another. He noted that the City of San Antonio was in violation of a 2005 Constitutional Amendment which defined marriage between one man and one woman.

Mattie Trawick voiced her concern with the passage of the proposed Non-Discrimination Ordinance as it would hinder religious freedoms.

Matthew Stedman addressed the Council in opposition to the proposed Non-Discrimination Ordinance. He voiced his concern with Veterans being grouped together with LGBT Members.

Naomi Garza requested that the Council vote against the passage of the Ordinance as it was discriminatory and violated more rights than it protected. She noted that the Ordinance was not necessary as policies were already enacted.

Donna Quinn spoke in opposition to the proposed Non-Discrimination Ordinance and stated that being with the same sex was against Biblical Teachings. She spoke of the negative economic and social implications passage of the Non-Discrimination Ordinance.

Perla Grochowski voiced her concern with the impact the proposed Non-Discrimination Ordinance would have on businesses and noted that the Ordinance would limit individual freedoms.

Karla Leyva highlighted the social and economic challenges her family faced as a result of her Lesbian Mother being fired from her job. She spoke in support of the proposed Non-Discrimination Ordinance as it would prohibit discrimination.

Krystal Montana with TSABA spoke in opposition to the proposed Non-Discrimination Ordinance as it infringed upon individual rights. She stated that being LGBT was against Biblical Teachings and that the lifestyle choice should not be protected.

Jarrell Flowers stated that he was in opposition to the Non-Discrimination Ordinance as it would take the rights of one group and give them to another.

Anthony Walker requested that the City Council vote against the passage of the proposed Non-Discrimination Ordinance as it was against Biblical Teachings.

Bob Comeaux with the AFL-CIO Central Labor Council spoke in favor of the proposed Non-Discrimination Ordinance as it would protect Employee Rights.

Steven Davis requested that the Council vote against the proposed Non-Discrimination Ordinance.

Don Clary voiced his concern with the City not supporting Street Performers.

Michael Osborn stated that he was in opposition to the proposed Non-Discrimination Ordinance as it prohibited free speech. He highlighted Bible Passages which spoke against homosexuality.

Julius Lorenzi spoke in support of the proposed Non-Discrimination Ordinance as it protected the rights of members of the LGBT Community. He noted that all individuals were created equal.

Chad Reumann noted that San Antonio was not supportive of the LGBT Community like his employer. He stated that he was in favor of the proposed Non-Discrimination Ordinance.

Steve Pokorny spoke in opposition to the Ordinance as it violated individual rights. He highlighted the negative social and economic impact of the Ordinance. He requested that the City Council find solutions for strengthening marriage and families.

David Mayorga stated that the proposed Non-Discrimination Ordinance was not needed and would result in lawsuits being filed. He spoke of the negative financial impact the Ordinance would have on the community.

Jon Kaplan spoke in opposition to the proposed Non-Discrimination Ordinance as it would infringe upon individual freedoms and cause economic hardship to the City. He noted that the Ordinance would create more problems than it would solve.

Monica Salyer highlighted the benefits of using solar power for cooking.

Angela Notzon spoke in opposition of the proposed Non-Discrimination Ordinance and noted that there was no evidence of discrimination against members of the LGBT Community. She noted that her religious freedoms would be infringed upon if the Ordinance was approved.

Emily Leeper stated that she was in favor of the proposed Non-Discrimination Ordinance as it recognized the value of individuals and protected LGBT Members from discrimination.

Dolores Murff highlighted the challenges she and her partner faced as a result of being a Lesbian Couple. She noted that being Lesbian was not a choice and asked that the City Council approve the Ordinance.

Lauryn Farris spoke in support of the proposed Non-Discrimination Ordinance as it protected LGBT Individuals. She noted that other communities had successfully enacted similar policies.

Peter De Jesus noted that he was opposed to the proposed Non-Discrimination Ordinance as it would punish and penalize people of faith. He voiced his concern with the social and religious implications of the Ordinance.

Dee Villarubia stated that she was in support of the proposed Non-Discrimination Ordinance as it would prohibit discrimination. She spoke of the challenges she faced for being a Lesbian Veteran. Ms. Villarubia highlighted a study that indicated homosexuality was determined at a young age.

Frank Montez addressed the Council and spoke in opposition to the proposed Non-Discrimination Ordinance as it violated individual rights. He provided the Council with a handout which addressed the negative impact the Ordinance would have on the community.

Gerald Ripley highlighted the cost associated with retrofitting bathrooms to make them unisex. He noted that the proposed Non-Discrimination Ordinance was flawed and was not supported by a majority of the population.

Jonathan Saenz stated that he was against the proposed Non-Discrimination Ordinance as it was unconstitutional. He spoke of court cases which dealt with discrimination and upheld the rights of organizations to restrict participation by members of the LGBT Community.

Mike Knuffke noted that he was in opposition to the proposed Non-Discrimination Ordinance as it advocated for discrimination and inequality. He stated that the Ordinance was not needed as there was no history of discrimination against members of the LGBT Community and that similar policies were already enacted. Mr. Knuffke spoke of the negative social and economic implications associated with the passage of the Ordinance.

Daniel Petri spoke in opposition to the proposed Non-Discrimination Ordinance as it was not needed and violated the rights of individuals. He asked if members of the Council had surveyed their constituents.

Patrick Van Dohlen spoke against the proposed Non-Discrimination Ordinance as it did not promote families and children. He noted that homosexuality was against Biblical Teachings.

Blaine Van Dohlen spoke of the safety issues that would arise with the passage of the proposed Non-Discrimination Ordinance.

Rhett Smith voiced his concern with the infringement of the freedom of speech.

Mark Perez addressed the Council and voiced his concern with the revisions made to the Horse Drawn Carriage Ordinance. He stated that the City was allowing businesses to operate without valid licenses.

Robert Wilmore expressed his opposition to the proposed Non-Discrimination Ordinance as it only protected the rights of one group. He noted that the Ordinance should protect the rights of all.

Patsy Cheyney spoke of a CPS Energy Policy which did not allow for 3rd Parties to pay outstanding electric bills of others and noted the negative impact this policy had on individuals receiving housing vouchers. She requested that the Council encourage CPS Energy to change this policy.

Allan Parker voiced his concern with the proposed Non-Discrimination Ordinance as it penalized individuals based on their view point and behavior. He noted that the Ordinance was not needed.

Kyle Hansen spoke against the proposed Non-Discrimination Ordinance as it was unconstitutional and infringed upon religious freedoms.

Edmundo Vargas stated that he was against the proposed Non-Discrimination Ordinance as it promoted immorality and homosexuality. He spoke of the negative impact homosexuality had on the students he taught. He requested that the Council vote based on their conscience.

Jacob Gutierrez spoke of the need for the proposed Non-Discrimination Ordinance and positive impact on the community. He noted that other cities have successfully enacted similar policies and requested that San Antonio do the same.

Ye Choi noted that members of the LGBT Community were not criminals and highlighted the struggles of living with Gender Identity Disorder. She provided statistics which proved that homosexuals were not prone to pedophilia.

Michael Lacey stated that he had not seen discrimination against the LGBT Community since moving to San Antonio. He spoke against the Ordinance.

Juan Macias voiced his concern with not being able to pay his bills.

Written testimony was received from Austin Eli in opposition to the proposed revisions to the Non-Discrimination Ordinance. He wrote that the City Council should not take away a person's right to their convictions and that if the Ordinance is approved; he will not visit San Antonio.

Faris Hodge, Jr. submitted written testimony regarding the Tower of the America's Lease Agreement with the City. He highlighted the successful Baseball Event held at the Alamodome in March, 2013. He wrote the City Employees should receive a 10% pay raise and that the City Council should receive a living wage. He noted that more than 8,000 San Antonio Independent School District Students received brand new books and mentioned the Fiesta Recycling Initiative. He wrote that the Convention Center Project was moving forward and that the Downtown Housing Incentive Program could be extended. He expressed concern that SAWS has too many projects occurring at the same time and wrote in opposition to the proposed rate increases. He requested that the Curfew Ordinance be renewed and that the Social Security Office remain in the Downtown Area.

ADJOURNMENT

There being no further discussion, Mayor Castro adjourned the meeting at 9:17 pm.

The San Antonio City Council convened in a Regular Meeting on Thursday, **August 8, 2013**, at 9:00 am in the City Council Chambers.

ROLL CALL

City Clerk Leticia M. Vacek took the Roll Call and noted a quorum of the Council with the following present: Bernal, Taylor, Viagran, Gonzales, Lopez, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **ABSENT**: Saldaña.

Item 1. The Invocation was delivered by Father Michael DeGerolami, Pastor, St. Timothy's Church, guest of Councilmember Shirley Gonzales, District 5.

Item 2. Mayor Castro led the Pledge of Allegiance to the Flag of the United States of America.

POINT OF PERSONAL PRIVILEGE

Mayor Castro recognized "Boeing" who has been in operation in San Antonio for 15 Years. He stated that they had been a great corporate citizen and have provided thousands of jobs in the city. Kevin Devine, San Antonio Site Leader at Boeing addressed the City Council and thanked them for the recognition. He stated that Boeing had been a major employer in Texas for 45 Years and spoke of their many investments in San Antonio. Boeing Employees Patrick Kendal and Matt Gomez also addressed the City Council and highlighted their work accomplishments with Boeing. Councilmember

Bernal noted that Councilmember Saldaña could not be present today but expressed thanks and appreciation to Boeing on his behalf.

Item 3. MINUTES

Councilmember Taylor moved to approve the Minutes for the June 19-20, 2013 City Council Meetings. Councilmember Bernal seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Viagran, Gonzales, Lopez, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** Saldaña.

ITEMS FOR INDIVIDUAL CONSIDERATION

The City Clerk read the caption for Item 4:

Item 4. PRESENTATION OF THE CITY OF SAN ANTONIO 2014 PROPOSED BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013.

2013-08-08-0515

A. AN ORDINANCE SETTING THE PROPOSED TAX RATE FOR THE TAX YEAR 2013.

2013-08-08-0516

B. AN ORDINANCE SETTING THE PUBLIC HEARINGS ON THE PROPOSED BUDGET FOR FY 2014 AND ON THE PROPOSED TAX RATE FOR TAX YEAR 2013.

City Manager Sculley presented the proposed FY 2013-2014 Budget. She reported that the FY 2014 Budget was balanced and that staff was not recommending a City Property Tax Rate Increase. She stated that there was a budget shortfall of \$35 to \$50 million for FY 2014 which includes a reserve of \$7.6 million for FY 2015. She indicated that challenges of \$29 million exist for FY 2015 which assumes no employee compensation increases for civilians. She mentioned that community input that had been solicited to develop the FY 2014 Budget and spoke of the strategic goals identified by the City Council at the Goal Setting Work Session on June 25, 2013. She highlighted FY 2013 Accomplishments and reported that the City's AAA General Bond Rating had been reaffirmed by all Rating Agencies in July 2013. She mentioned the seven Code Enforcement Positions that were added in FY 2013 and the opening of the two Pre-K Education Excellence Centers.

Mrs. Sculley outlined the Consolidated Budget totaling \$2.3 Billion and stated that the FY 2013 General Fund Budget totaled \$988.9 million. She noted that \$13 million in reductions were proposed for FY 2014 to include the elimination of 279 Civilian Positions. She indicated that \$6.2 million was added for service improvements such as the expansion of three Senior Centers. She reported that \$24.7 million was included for Employee Compensation increases of which \$17.9 million would be allocated for Police and Fire Collective Bargaining increases. She provided an overview of the General Fund available resources distributed over major spending areas noting that Public Safety accounted for 66.4%. She spoke of the \$87.7 million in General Fund Budget Reductions since 2007 and the City Authorized Positions from FY 2007 through FY 2014. She stated that 1,633 Civilian Positions had been eliminated and 474 Uniform Positions had been added since 2007.

Mrs. Sculley presented FY 2014 Proposed General Fund Revenues that include Property Tax, Sales Tax, CPS Energy, and Other Revenue. She stated that the Property Tax Revenue was estimated at 5.3% higher than the FY 2013 Estimate and totaled \$254 million. She reported that property values were up 4.68% and that the FY 2014 budget foregoes \$31 million in Property Tax Revenue from senior and Disabled Homestead Exemptions. She stated that the Sales Tax Revenue was 3.5% higher than the FY 2013 Estimate totaling \$235 million. She noted that CPS Energy Revenue was 1.4% higher than the FY 2013 Estimate and totaled \$292 million. She reported that the Budgeted Financial Reserves would be maintained at 9% of General Fund Appropriations totaling \$89 million in FY 2014. She indicated that \$5.2 million would be generated by General Fund Fee Increases within EMS, Parks, and the Library.

Mrs. Sculley highlighted FY 2014 Proposed Improvements to include Grant Match Funds for the Police Department and continuation of the Infrastructure Management Program (IMP) at \$54 million. She provided an overview of the General Fund Efficiencies and Reductions totaling \$13 million which include reduction of administrative overhead and operational efficiencies. She reported that \$1 million in savings had been identified within the Municipal Court and \$630,000 would be reduced within Delegate Agency Funding. She stated that a \$0.50 cent increase was proposed for the Solid Waste Fee and spoke of the Organics Recycling Subscription Program that would be offered at a \$3.00 monthly fee. She provided an overview of the Hotel Occupancy Tax (HOT) Revenue which was projected at \$58 million for FY 2014. She stated that the FY 2014 Aviation Fund Budget totals \$87 million and the Development Services Budget totals \$25 million. She noted that the FY 2014 Storm Water Operations Budget totals \$40.9 million and is used to provide channel and river maintenance. She reported that the FY 2014 Capital Program totaled \$570 million which included \$118 for the 2012 Bond Program.

Mrs. Sculley highlighted Employee Compensation and stated that the Step Plan Employees would receive an average 3% salary increase and that the 6-Year Program finished implementation in FY 2013. She noted that Professionals, Managers and Executives would be eligible to receive performance pay. She indicated that Civilian Retirees would receive a Cost of Living Adjustment (COLA) equivalent to 1.2% of their annuity. She explained that there would be increases to Civilian Employee Contributions for Health Care to align prescription deductibles and office co-pay maximums with industry standards. She highlighted the Affordable Care Act which has benefited employees and is projected to cost \$3.9 million in FY 2014. She spoke of the Legacy Costs associated with providing Health Care and Pension and indicated that Public Safety Appropriations would account for 100% of General Fund Revenue by the year 2031. She mentioned that Budget Brochures were printed in English and Spanish and that five additional Community Budget Hearings would be held to gather input on the Proposed Budget. She stated that 12 City Council Budget Work Sessions would be held and that the Budget was scheduled for adoption on September 12, 2013.

Mayor Castro thanked Mrs. Sculley for the presentation and called upon the individuals registered to speak.

Nazirite Ruben Flores Perez spoke in support of funding for City Employees and Retirees.

Jack M. Finger expressed concern with the increased property valuations and requested that the Property Tax Rate be decreased. He noted his belief that there would be many lawsuits filed against the city if the Non-Discrimination Ordinance Revisions were approved.

Mayor Castro and the City Councilmembers thanked the Budget Staff for their work on the Proposed Budget. Mayor Castro stated that he was supportive of the general structure of the budget and looked forward to the Budget Work Sessions.

Councilmember Lopez stated that he would like to further discuss items within the Fire Department such as equipment that has not been deployed due to budgetary reasons. He noted that he would like a better understanding of the funding for International Initiatives and how funds are distributed. He mentioned the proposed reductions to the City Council Project Fund Allocations and indicated that he would like to discuss the rules for expenditure in further detail. Lastly, he expressed support for the funds allocated to the Aviation Department noting the great amount of International Travelers.

Councilmember Taylor stated that she was excited that the Proposed Budget was consistent with the Council's Direction related to East Side Initiatives and specifically, the CHOICE Neighborhood. She noted that she was pleased with the Deferred Maintenance and expanded services for Seniors. She expressed concern with the cuts to the Parks and Recreation and Library Departments and added that she believed there should be more dialogue regarding the Property Tax Rate. She indicated that she would like to increase the Infrastructure Maintenance Program (IMP) Budget to address street maintenance.

Councilmember Viagran expressed concern with the 279 positions proposed for elimination and asked staff to provide her with the average salary of these positions.

Councilmember Soules stated that he was opposed to a Property Tax Increase and pleased that it was not included in the Proposed Budget. He noted that he was not in favor of using Bond Savings or the Sale of City Property for operating expenses due to the long-term consequences. He expressed concern with the funding for the IMP and spoke of the importance of maintaining and improving roads. He asked if the Unfunded Budget Requests were included in the Proposed Budget. Mrs. Sculley replied that \$3.6 million was allocated for street improvements at Port San Antonio; \$3 million for street improvements at Brooks City Base; \$4 million in HOT Funds for the Witte Museum in Years One and Two; \$3.6 million in HUD 108, CDBG and HOME Funds for the CHOICE Neighborhood Initiative; and \$5 million for Deferred Maintenance. Councilmember Soules stated that he would like to see additional information regarding the Unfunded Budget Requests.

Councilmember Chan stated that she was also opposed to a Property Tax Increase and spoke of the importance of addressing basic services. She stated that she would like to better understand the current and future impacts of the Affordable Care Act.

Councilmember Nirenberg stated that the greatest challenge was citizen expectations and noted that he was not in favor of increasing the Property Tax Rate. He expressed concern with addressing structural and capital issues with one-time funds. He further noted concerns with borrowing money to keep up with the rates of growth. He stated that he was pleased with the Bond Ratings but noted that Moody's had cautioned the city about having a better ending balance.

Councilmember Gonzales expressed support for funding for Delegate Agencies and spoke of the great services they provide to the community.

Councilmember Bernal stated that he looked forward to working on the Budget and was pleased with the opportunities for community input. He expressed support for funding Sidewalks to School.

Councilmember Medina stated that he was pleased with the funding allocated for Senior Services and the IMP. He expressed support for the work of Delegate Agencies and added that he was concerned with the reductions proposed for the Library System.

Councilmember Medina moved to adopt the proposed Ordinances for Items 4A and 4B. Councilmember Lopez seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Viagran, Gonzales, Lopez, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** Saldaña.

CONSENT AGENDA ITEMS 5-15

Consent Agenda Items 6, 13, and 14 were pulled for Individual Consideration. Mayor Castro announced that Item 9 was pulled from the agenda by staff.

Mayor Castro called upon the individuals registered to speak on the Consent Agenda.

Jane Dubel, President of the Thunderbird Hills Association addressed the City Council in support of the Multi-Service Senior Center in District 7 (Item 14).

Jack M. Finger addressed the City Council in opposition to the \$1 million that would be used for a Technical Consultant to represent the Rental Car Agencies in the design and construction of the Consolidated Rental Car Facility at the Airport (Item 13). He expressed concern with the large amount of funds and asked why the Rental Car Agencies were not paying for the Consultant.

Faris Hodge, Jr. submitted written testimony in favor of Items 4-15.

Councilmember Bernal moved to approve the remaining Consent Agenda Items. Councilmember Lopez seconded the motion.

The motion to approve the remaining Consent Agenda Items prevailed by the following vote: **AYES:** Bernal, Taylor, Viagran, Gonzales, Lopez, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** Saldaña.

2013-08-08-0517

Item 5. AN ORDINANCE FOR THE RIVER WALK IMPROVEMENTS PHASE 4 PROJECT AUTHORIZING THE NEGOTIATION AND EXECUTION OF A CONSTRUCTION MANAGER AT RISK CONTRACT WITH GUIDO BROTHERS CONSTRUCTION COMPANY, INC. IN THE AMOUNT NOT TO EXCEED \$2,300,000.00, AN AUTHORIZED CERTIFICATES OF OBLIGATION AND RIVER WALK CAPITAL IMPROVEMENTS FUNDED PROJECT, LOCATED IN COUNCIL DISTRICT 1.

2013-08-08-0519

Item 7. AN ORDINANCE AUTHORIZING A LEASE AGREEMENT WITH MISSION ROAD DEVELOPMENT CENTER FOR 722 SQUARE FEET OF WAREHOUSE SPACE AND 722 GROUND SPACE AT STINSON MUNICIPAL AIRPORT, GENERATING \$1,386.24 ANNUALLY, FOR A TERM OF THREE YEARS WITH TWO ONE-YEAR EXTENSIONS.

2013-08-08-0520

Item 8. AN ORDINANCE AUTHORIZING AN AMENDMENT TO A LEASE AGREEMENT WITH THE TEXAS DEPARTMENT OF PUBLIC SAFETY AT STINSON MUNICIPAL AIRPORT TO INCLUDE SUITE 110 WHICH WILL PROVIDE ADDITIONAL ANNUAL REVENUE OF \$6,100.80 FOR A TOTAL ANNUAL RENTAL OF \$32,130.64.

PULLED BY STAFF

Item 9. AN ORDINANCE AUTHORIZING THE CLOSURE, VACATION AND ABANDONMENT OF 2.14 ACRES OF OLD DWYER ROAD PUBLIC RIGHT OF WAY, LOCATED BETWEEN SW LOOP 410 AND RAY ELLISON BOULEVARD, ADJACENT TO NCB 15228, IN COUNCIL DISTRICT 4, AS REQUESTED BY S & K DEVELOPMENT COMPANY, INC., JAMES M. SCHNEIDER, CF LAND, LLC, QWEST COMMUNICATIONS CORP. AND SAMNANI PROPERTIES, LTD., FOR A FEE OF \$44,350.00.

2013-08-08-0521

Item 10. AN ORDINANCE AUTHORIZING AN AMENDMENT INCREASING THE TOTAL AMOUNT TO A GRANT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR THE NEW AIR TRAFFIC CONTROL TOWER AT STINSON MUNICIPAL AIRPORT TO \$467,638.00 FOR THE DESIGN AND ENVIRONMENTAL ASSESSMENT; INCREASING THE LOCAL MATCHING SHARE FROM \$30,000.00 TO \$46,764.00; AND, APPROPRIATING AN ADDITIONAL \$16,764.00 FROM THE STINSON REVOLVING FUND.

2013-08-08-0522

Item 11. AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF FUNDS FROM THE DEPARTMENT OF HOMELAND SECURITY IN AN AMOUNT NOT TO EXCEED \$50,000.00 FOR LABORATORY INFRASTRUCTURE SUPPORT FOR THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT'S BIOWATCH PROGRAM.

Item 12. CONSIDERATION OF THE FOLLOWING ITEMS RELATED TO FEDERAL AVIATION ADMINISTRATION GRANT APPLICATIONS FOR THE SAN ANTONIO INTERNATIONAL AIRPORT:

2013-08-08-0523

A. AN ORDINANCE AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION AND ACCEPTANCE OF FUNDS FOR A FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM GRANT IN AN AMOUNT UP TO \$8,200,000.00

FOR THE CONTINUATION OF THE RESIDENTIAL ACOUSTICAL TREATMENT PROGRAM.

2013-08-08-0524

- B. AN ORDINANCE AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION AND THE ACCEPTANCE OF FUNDS FOR A FEDERAL AVIATION ADMINISTRATION IMPROVEMENT PROGRAM GRANT IN AN AMOUNT UP TO \$22,680,000.00 FOR RUNWAY AND TAXIWAY IMPROVEMENTS.

2013-08-08-0526

Item 15. AN ORDINANCE AUTHORIZING A MEMORANDUM OF AGREEMENT WITH TEXAS A&M UNIVERSITY TO PROVIDE ONLINE PUBLIC HEALTH COURSES TO SAN ANTONIO METROPOLITAN HEALTH DISTRICT EMPLOYEES FOR THE PURPOSE OF OBTAINING A PUBLIC HEALTH CERTIFICATE IN A CUMULATIVE AMOUNT UP TO \$30,000.00 FOR A TERM BEGINNING UPON EXECUTION AND ENDING ON AUGUST 31, 2014.

[CONSENT ITEMS CONCLUDED]

ITEMS PULLED FOR INDIVIDUAL CONSIDERATION

The City Clerk read the caption for Item 6:

2013-08-08-0518

Item 6. AN ORDINANCE FOR THE DISTRICT 2 NEW BRANCH LIBRARY PROJECT ACCEPTING A DONATION OF FEE SIMPLE TITLE TO 249,598.80 SQUARE FEET (5.73 ACRES) OF PRIVATELY-OWNED REAL PROPERTY LOCATED AT U.S. HIGHWAY 87 EAST IN NCB 18274 IN COUNCIL DISTRICT 2 FOR THE SITE OF THE BRANCH LIBRARY, A 2012 GENERAL OBLIGATION BOND FUNDED PROJECT; DECLARING IT TO BE A PUBLIC PROJECT AND AUTHORIZING EXPENDITURES IN AN AMOUNT NOT TO EXCEED \$2,750.00 PAYABLE TO THE SELECTED TITLE COMPANY FOR ASSOCIATED ACQUISITION-RELATED FEES.

Councilmember Taylor highlighted said item and thanked the Schaefer Family for the donation of land for the Library. She also thanked the Citizens Committee that advocated for the Library in this part of the city.

Councilmember Taylor moved to adopt the proposed Ordinance. Councilmember Viagran seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Viagran, Gonzales, Lopez, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** Saldaña.

The City Clerk read the caption for Item 13:

CONTINUED

Item 13. AN ORDINANCE AUTHORIZING THE REIMBURSEMENT OF FUNDS NOT-TO-EXCEED \$1,000,000.00 FROM CUSTOMER FACILITY CHARGE FUNDS FOR A TECHNICAL CONSULTANT TO REPRESENT THE RENTAL CAR AGENCIES INVOLVED IN THE DESIGN AND CONSTRUCTION OF THE CONSOLIDATED RENTAL CAR FACILITY LOCATED AT THE SAN ANTONIO INTERNATIONAL AIRPORT.

Frank Miller presented a Power Point and stated that the City Council had authorized the collection of a Customer Facility Charge (CFC) for a Consolidated Rental Car Facility (CONRAC) at the San Antonio International Airport in March 2012. He noted that a CFC Policy was also approved which included the use of a Rental Car Technical Liaison to represent the interests of the Rental Car Agencies. He indicated that having a Rental Car Industry Liaison has evolved over the past 10 Years and is a standard practice in the development of CONRACs. He reported that the Rental Car Agencies do not have the staff resources to dedicate to a CONRAC. He stated that without a Liaison, the project schedule could be disrupted and there will not be an opportunity for Rental Car Agency Input. He explained the principal functions of the Technical Liaison noting that they would work closely with the City's Design and Construction Team throughout the project. Additionally, the Liaison will protect Rental Car Brand Proprietary Processes and Information as well as conduct timely detailed reviews of the project to ensure that the schedule is maintained. He added that they would be responsible for building consensus and coordinating project details among all parties. He provided a list of cities that had used a Technical Liaison and stated that funds for payment would be utilized from the CFC Fund. He indicated that the \$1,000,000 amount represents four years of services from the Technical Liaison for the design through construction and occupancy phases by the Rental Car Agencies.

Councilmember Soules asked why this amount would be spread over four years and why the car rental companies would not pay their fair share since this is something they would all benefit from. Mr. Miller replied that it is a critical element that the team needs for a timely and successful completion of the project. He stated that all companies will provide their fair share parallel with the development of the facility. Councilmember Soules expressed concern with today's budget presentation and the cuts being made. He stated that he believed the Rental Car Agencies should pay into the new facility and could not support said item today.

Mayor Castro asked if the Consultant would represent the city or the Rental Car Agencies. Mr. Miller replied that although they would represent the Rental Car Agencies, they were being hired to help the city ensure a timely and successful project. In response to Mayor Castro, Mr. Miller confirmed that other cities used the same model. Mayor Castro asked of the current location of the Rental Car Agencies. Mr. Miller responded that all of them with the exception of Hertz and Avis were located off Airport Property. He noted that it would be beneficial for them all to be located at the Airport and they would be responsible for maintenance and other associated operational costs. Mayor Castro asked of the use of another model such as utilizing a city staff person. Mr. Miller replied that staff felt that the Rental Car Agencies should select a company that they had confidence and had performed similar work in the past. He added that this was not designed to assist the Rental Car Agencies with their competitive advantages. Mayor Castro asked if the full amount of \$1,000,000 would be utilized. Mr. Miller indicated that it could be fully utilized but could not be exceeded.

Councilmember Nirenberg asked of the difference between the work that is being performed by CIMS and the work of the Consultant. Mr. Miller stated that CIMS was managing the construction project

while the Consultant would assist with the approach on the design. He indicated that CIMS would work with all of the companies involved in the project. Councilmember Nirenberg asked of the scope of work over the four years of the contract. Mr. Miller stated that the Consultant was familiar with the elements needed for a CONRAC. Councilmember Nirenberg asked how other cities have handled the construction of CONRACs without a Consultant. Mr. Miller spoke of the City of Fort Lauderdale and that they had experienced delays on their CONRAC Project and could not adequately address issues.

Councilmember Medina asked how the \$1,000,000 Contract Amount was derived. Mr. Miller replied that it was based on the fact that there is 1 ½ years needed for design and 2 ½ years needed for construction and had also looked at other locations. He confirmed that CFC Funds would be utilized to fund the Consultant.

Councilmember Soules expressed concern that the Rental Car Agencies selected the Consultant on their own and again noted that they should participate financially.

Councilmember Chan stated that she had some concerns as well and would like additional time to address them.

Councilmember Viagran asked of the selection of the Consultant and if they were a local vendor. Mr. Miller replied that the Rental Car Agencies selected the Consultant and noted that they were not a local vendor.

Councilmember Bernal stated that he looked forward to future discussions on said item. Mayor Castro requested that staff focus on confirming that this is the best model to utilize and the funding component.

Councilmember Soules moved to continue Item 13. Councilmember Bernal seconded the motion.

The motion to continue prevailed by the following vote: **AYES:** Bernal, Taylor, Viagran, Gonzales, Lopez, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** Saldaña.

The City Clerk read the caption for Item 14:

2013-08-08-0525

Item 14. AN ORDINANCE AUTHORIZING EXECUTION OF A CONTRACT BETWEEN THE CITY OF SAN ANTONIO AND WELLMED CHARITABLE FOUNDATION TO CO-LOCATE AND PARTNER IN PROVIDING A MULTI-SERVICE SENIOR CENTER IN CITY COUNCIL DISTRICT 7.

Councilmember Medina highlighted the new center located in an underserved area and thanked the Senior Advisory Committee that participated in the process.

Councilmember Medina moved to adopt the proposed Ordinance. Councilmember Lopez seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Viagran, Gonzales, Lopez, Medina, Chan, and Mayor Castro. **NAY:** None. **ABSENT:** Saldaña, Nirenberg, and Soules.

ADJOURNMENT

There being no further discussion, Mayor Castro adjourned the meeting at 11:38 am.

APPROVED



JULIÁN CASTRO
MAYOR

Attest:



LETICIA M. VACEK, TRMC/MMC
City Clerk