

**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, FEBRUARY 17, 2010 AND THURSDAY, FEBRUARY 18, 2010, RESPECTIVELY.

The San Antonio City Council convened in a Work Session at 2:00 pm Wednesday, **February 17, 2010**, Municipal Plaza Building with the following Councilmembers present: Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro.

1. PRESENTATION OF THE "3 PLUS 9" BUDGET AND FINANCE QUARTERLY REPORT FOR THE FIRST THREE MONTHS AND UPDATED ESTIMATES ON REVENUES AND EXPENDITURES FOR THE REMAINING NINE MONTHS OF FISCAL YEAR 2010

City Manager Sheryl Sculley stated that the FY 2010 Budget of \$887 million was 5% less than the FY 2009 Budget and had been reduced through recurring cuts and service enhancements. She outlined the FY 2010 General Fund available resources by spending area and the Service Improvements that included Police, Fire, Streets, and Homelessness/Community Services. She noted that 50 new Police Officers were funded by the American Recovery and Reinvestment Act (ARRA) and the individuals were currently attending the Training Academy. She spoke of the 29 new Firefighters that were scheduled to begin the Academy Class in the latter part of the Fiscal Year and noted that the Engine Company at Station 23 would address the extended response times north of the Airport.

Ms. Sculley reported that a new crack sealing initiative would complement the City's Five-Year Infrastructure Management Program (IMP) and that through the end of January, 44 of the projected 99 miles have been completed. She stated that the Adopted FY 2010 Budget includes \$4.059 million for Haven for Hope, Inc. for homeless service provider contracts and the Detox Center. She noted that they had requested new and additional funding in the amount of \$1 million in FY 2010 for an outdoor safe sleeping environment and had requested \$1-1.5 million in additional resources for FY 2011.

Ms. Sculley spoke of the College Access and Opportunity Center, a new initiative aimed at increasing college enrollment and located in Downtown San Antonio. She stated that the San Antonio Education Partnership (SAEP) would operate the center and it was scheduled to open in September, 2010. She noted that site evaluation and contract negotiation was in process for the Comprehensive Senior Centers for Districts 2 and 6, and the District 5 site was scheduled to open in April. She added that the District 4 Senior Center Expansion Project was being finalized and construction was estimated to begin in May.

Ms. Sculley highlighted various Capital Improvement Projects and reported that the construction contract for the District 3 Branch Library had been awarded and the facility was projected to open in March, 2011. She noted that the design phase of Woodlawn Lake Park Improvements would begin in March, 2010 and that Fire Station 51 located in the IH-10/De Zavala area was currently under design. She added that service would be provided by October, 2010 through temporarily stationing Engine and Ladder Companies at nearby fire stations. She outlined select City-wide Performance Measures for the Police, Fire, Solid Waste, and Library Departments, noting that all measures had been exceeded.

Ms. Sculley stated that San Antonio had been impacted by the recession and that the unemployment rate had increased from the previous year. She expressed concerns for 2010 in the areas of consumer spending and commercial construction. She noted that home sales had decreased by 3.7% from the previous year and that the 2009 Housing Inventory was the highest in the past 10 years. She provided a FY 2010 First Quarter Financial Summary of the General Fund, noting that most revenues were flat but slightly favorable due to CPS Energy revenues. She reported that sales taxes were \$900,000 lower than projected and that property tax revenue was on budget. She added that the General Fund revenues were up by \$4.6 million over the adopted budget year-to-date.

Ms. Sculley provided a FY 2011 General Fund Preliminary Budget Outlook, noting that it included \$11 million in reduction proposals presented in the FY 2010 Budget. She stated that 2011 revenue projections were being evaluated and had a negative outlook. She reported that compared to revenue projections developed in September, 2009, there were potential declines in General Fund Revenues including property and sales tax ranging from \$12.5-\$22.3 million. She added that potential additional revenues from the proposed CPS Energy rate increases totaled \$8 million in FY 2010 and \$12 million in FY 2011. She mentioned that employee compensation increases were not included in the FY 2011 Plan. She spoke of the potential additional expenditures that had been identified including Haven for Hope, Inc., VIA Street Car North South Project, and Comprehensive Nutrition Centers.

Ms. Sculley stated that changes in the revenue projections developed last summer and potential additional spending not included in the initial FY 2011 Plan could negatively impact the city's financial position. She noted that staff would continue to monitor and refine projections for the Five Year Financial Forecast that would be provided in April. Lastly, she spoke of the analysis conducted among comparable size cities and provided their respective reduction strategies.

Maria Villagomez, Interim Budget Director stated that the FY 2010 Hotel Occupancy Tax (HOT) projections had been revised from \$53.3 million to \$47 million with the 3+9 Report and that there was a negative impact to the fund of \$12 million for FY 2009 and FY 2010. She provided a 10-Year History of HOT Collections and spoke of the deficit reduction strategy. She explained that some positions would be frozen and that they would reduce operating transfers to the Facilities Reserve. She noted that they would utilize the State Reimbursement Program when possible and recommended maintaining funding for Arts Agencies at FY 2010 budgeted levels.

Within the Planning and Development Services Fund, Ms. Villagomez stated that it had been established as an Enterprise Fund in 2007 and had developed a Deficit Reduction Strategy in January, 2008 to eliminate the deficit that had occurred due to a significant decline in permitting activity. She noted that since FY 2008, expenditures had been reduced by \$4.9 million and 69 positions have been eliminated. She added that FY 2010 conditions require further adjustment and that revenue projections were \$2.1 million lower than projected. She recommended that 13 vacant positions be frozen and that nine additional positions be frozen as they become vacant throughout the year.

Ms. Villagomez spoke of the Solid Waste Operating and Maintenance Fund, noting that revenue was generated from a monthly service charge of \$18.74. She stated that the fee had not been increased in FY 2010 but projected a \$0.75 monthly fee increase in FY 2011. She reported that FY 2010 was the final year of conversion to a Two-Cart Automated Collection System and that 100% of the city would be automated by March, 2010. She added that all 14,000 alley customers would have automated service by March 31, 2010.

Ms. Villagomez stated that the Storm Water Operations Fund was supported by revenue generated from an average residential monthly fee of \$4.25 and had not been increased in the FY 2010 Budget. She noted that a redirection of \$333,000 would fund additional staff and equipment and would increase mowing from three to four cycles per year. She reported that within the Aviation Fund, FY 2009 enplanements had decreased 5.5% from the previous year and that the FY 2010 projects a decrease of 2.5% from FY 2009.

EXECUTIVE SESSION

At this time, Mayor Castro recessed the meeting at 3:10 pm to convene in Executive Session for the purposes of:

- A. **DISCUSS LEGAL ISSUES RELATED TO COLLECTIVE BARGAINING AND MEET AND CONFER AGREEMENTS, PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 (CONSULTATION WITH ATTORNEY).**
- B. **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).**
- C. **DISCUSS LEGAL ISSUES RELATED TO *CPS ENERGY V. NRG ENERGY, ET AL* PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 (CONSULTATION WITH ATTORNEY).**
- D. **DISCUSS LEGAL ISSUES RELATED TO *IRENE CANALES-JANSSEN, ET AL V. CITY OF SAN ANTONIO, ET AL*, PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 (CONSULTATION WITH ATTORNEY).**
- E. **DISCUSS LEGAL ISSUES RELATED TO *DIANA BORJAS, INDIVIDUALLY AND AS NEXT FRIEND OF FABIAN MENDOZA V. CITY OF SAN ANTONIO*, PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 (CONSULTATION WITH ATTORNEY).**

Mayor Pro Tem Chan reconvened the meeting at 4:32 pm at which time it was noted that the City Council had been briefed on the above-styled matters but took no action. She noted that they would take a break to attend a press conference and reconvene in 30 minutes.

Mayor Castro reconvened the meeting at 5:04 pm and continued with Item 1. Ms. Sculley stated that the presentation was complete and staff was available to answer any questions.

Mayor Castro asked of General Fund Revenues. Ms. Sculley stated that they were \$4.6 million over the adopted budget year-to-date and attributed to the higher CPS Energy Revenue from cold weather and higher natural gas prices. Councilmember Lopez asked if the city was doing better than projected for the first quarter. Ms. Sculley stated that other than higher than expected CPS Energy Revenue, the city was not doing as well as projected. Councilmember Medina asked of the benefits of long-term contracts such as the Airport Concession Contracts. Ms. Sculley replied that the Aviation Contracts did not have an impact to the General Fund but would keep the Aviation Fund balanced. Councilmember Medina spoke in support of implementing a Request for Proposals (RFP) process for delegate agencies. Ms. Sculley noted that there was a projected shortfall for FY 2011 and had proposed to reduce Social Service Agencies by 10%. She expressed concern with an RFP process as there will be less funding available in the budget. Councilmember Medina stated that he was not in favor of delegate agency funding reduced

during the challenging economic times, but would like to receive the best services for available funding. He also expressed support for additional funding for Haven for Hope, Inc. for FY 2011.

Councilmember Cisneros asked of the State Reimbursement Program. Ms. Villagomez reported that prior to September, 2009; the city was able to receive reimbursement for capital improvement expenses incurred for sporting events. She noted that the program has been expanded to include conventions and staff has identified 17 events that can be submitted to the State for reimbursement. Councilmember Cisneros asked that staff review the possibility of extending the recommended furlough for City Employees for FY 2011 from four days to five days. In response to the rate increase for Solid Waste, Ms. Villagomez replied that a \$0.75 monthly increase was projected for FY 2011. Staff would provide a recommendation during the budget process. Councilmember Cisneros stated that she was pleased with the homeless services provided by Haven for Hope, Inc. She requested performance measures for the Detox Center at the campus.

Councilmember Cisneros asked of the Head Start Program Review. Cindy Schoenmakers, Interim Director of the Department of Community Initiatives stated that a programmatic and fiscal operations review of the Head Start Program would be conducted in May. She noted that there had been challenges in filling the vacant positions but most would be filled within the next few weeks. Councilmember Cisneros spoke of the decline in taxable property value and asked when a property tax rate increase would be implemented. Ms. Sculley stated that would be a policy decision of the entire Council.

Councilmember Chan expressed concern that the potential additional expenditures for FY 2011 were greater than the proposed reductions. She noted that she was in support of allocating additional funds toward the Economic Development Incentive Fund and spoke of the importance of job creation. Councilmember Chan asked of the Colorado Springs savings on street lights and asked how much that could save San Antonio. Ms. Villagomez reported that the city spends \$10 million on electricity costs for streetlights. Councilmember Chan asked of the additional funding request from Haven for Hope, Inc. Ms. Sculley replied that the additional funds would be used for the Prospects Courtyard and other operational costs. Melody Woosley noted that Prospects Courtyard was operated through a contract with the Center for Healthcare Services. She noted that it was not the city's original intent to fund operational costs and had intended to provide funds for service providers.

Councilmember Chan expressed support for Haven for Hope, Inc. but noted the importance of keeping costs from escalating annually. She asked of accountability and performance measures. Ms. Woosley replied that city staff only monitored the contracts. Ms. Sculley added that there should be a discussion regarding the governance structure of Haven for Hope, Inc. and that the city did not have representation on their Board. Councilmember Medina expressed his support in adding \$1.5 million to the base budget for Haven for Hope, Inc., noting that homelessness affected the entire community.

Councilmember Ramos asked if all delegate agencies budgets would be reduced by 10%. Ms. Sculley replied that they would follow the Council's direction. Councilmember Ramos expressed support for Haven for Hope, Inc. but was concerned with the continued request for funding. She also expressed concern with the recommended furloughs for city employees and would like to discuss a possible cost of living adjustment for FY 2011. Councilmember Clamp noted that there should be additional discussion related to Haven for Hope, as well as an evaluation of accountability measures. He asked that the Council review those items that receive approval but were not budgeted. Ms. Sculley stated that all Council Agenda Items included a fiscal impact section within their respective Request for Council Action memos. Councilmember Cortez expressed support for the funds allocated toward Police, Fire, Street Maintenance, and Senior Services.

2. BRIEFING ON THE FY 2011 CONSOLIDATED FUNDING PROCESS FOR HUMAN DEVELOPMENT SERVICES

Councilmember Cortez recessed the meeting at 6:08 pm and stated that Item 2 would be addressed during the Regular City Council Meeting tomorrow following the regular agenda.

The San Antonio City Council convened in a Regular Meeting on Thursday, **February, 18, 2010** 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: Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro.

Item 1. The Invocation was delivered by Rev. Courtney L. Evans, Pastor, God's Property Baptist Church, guest of Mayor Julián Castro.

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 Sebastian Lang-Lessing as the new Music Director Designate, and Jack Fishman, President and CEO, of the San Antonio Symphony. Mr. Lang-Lessing addressed the City Council and stated that this was his first week in San Antonio and he was thrilled to begin his new position. He thanked everyone for their support of the San Antonio Symphony.

Item 3. MINUTES

Councilmember Cisneros moved to approve the Minutes for the Special City Council Meetings of February 1 and 3, 2010, and the Regular City Council Meeting of February 4, 2010. Councilmember Taylor seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAYS:** None. **ABSENT:** None.

ITEMS FOR INDIVIDUAL CONSIDERATION

The City Clerk read the following Ordinance:

2010-02-18-0122

Item 4. AN ORDINANCE AUTHORIZING A RATE INCREASE OF 7.5 PERCENT AND 8.5 PERCENT, RESPECTIVELY, TO THE CPS ENERGY ELECTRIC AND GAS BASE RATES (SYSTEM AVERAGE); TARIFF AMENDMENTS TO IMPLEMENT THE RATE ADJUSTMENT; AND DISCOUNT RATE PROGRAM FOR QUALIFYING LOW-INCOME CUSTOMERS.

Ben Gorzell, Finance Director stated that CPS Energy had proposed base rate increases of 7.5% for electric and 8.5% for gas and that the Affordability Discount and REAP Programs would be enhanced to cover the increases. He spoke of the impact to the average residential customer, noting that the combined impact to electric and gas customers totaled \$5.57 per month. He provided a Rate Plan through 2021 and added that staff recommended approval of the rate increases, proposed allocation to rate classes, and Affordability Program Changes. He noted that they would revisit the Affordability Programs with the 2012 rate case and develop policy utilization on Off-System Sales Net Margins.

Mr. Gorzell presented information regarding the financial transaction for Items 5A and 5B. He stated that the bond issuance would total \$380 million through tax-exempt or taxable debt (Build America Bonds-BABs) and that the funds would be utilized for the completion of Spruce II, Electric Transmission Projects, Electric and Gas Distribution Projects, and other Generation Upgrades. He outlined the Financing Plan in which \$994 million in debt would be issued through 2012. He reported that the rates were structured to cover the debt service on issuances through the next planned rate increase and that there was a potential for an additional gas system transaction that would result in savings to gas customers. He added that staff recommended the bond issuance of \$380 million.

Jelynn Burley, CPS Energy Acting General Manager spoke of the rate and debt recommendations to support revenue requirements and noted that the rates would support the needed revenue for two fiscal years. She reported that the increases included annualized fuel benefits associated with Spruce 2 once it was on-line and did not include a tiered option. She stated that they would issue approximately \$379 million of taxable BABs or non-taxable bonds. She noted that CPS Energy and city staff would work jointly to increase the Affordability Program participation and monitor utilization. She added that they would work to establish a periodic reporting process to the City Council. She provided a Capital Budget Program summary by priority and outlined the various support programs available to customers.

Ms. Burley reported that enhancements to the Affordability Discount Program had been made in September, 2008 to offset the 3.5% increase and would be implemented again to offset the proposed rate for a cumulative amount of \$9.70. She stated that the Department of Community Initiatives confirmed eligibility and the guidelines were based on 125% poverty level. She spoke of the REAP Program and noted that eligible recipients could receive a maximum of two \$150 utility credits per year and CPS Energy was proposing to increase the amount to \$200 twice a year. She added that they would draw \$1 million from the Trust Fund for FY 2011 and 2012 for the REAP Program.

Ms. Burley outlined the STP 3 & 4 Settlement noting that it was valued at \$1 billion and that CPS Energy would have no responsibility for any new project obligations after January 31, 2010. She reported that it provided CPS Energy with 7.625% ownership interest and that NRG would contribute \$10 million over four years directly to the REAP Trust. She stated that NRG conditionally agreed to pay \$80 million and all litigation would be dismissed. She concluded by stating that approval of the rate plan and bonds would ensure system integrity, foster financial stability, and support customers.

Mayor Castro called upon the individuals registered to speak on Item 4.

Bob Martin of the Homeowner Taxpayer Association spoke in opposition to the proposed rate increases and stated that an independent audit should be conducted of CPS Energy. He expressed concern with the timing of the increase due to the challenging economic conditions and that many citizens were struggling to make ends meet. He noted that there was a conflict of interest since the City would be receiving 14% of the increase and expressed concern with the underestimated costs for nuclear energy provided by CPS Energy. He spoke of two elderly twin sisters that had passed away due to the

excessive heat and not utilizing their air conditioning unit because they could not afford to pay their utility bill.

Nikki Kuhns provided a copy of Ordinance 97263 that approved an economic incentive rider, Rider E16, providing for a discount to the Super Large Power (SLP) electric rate of up to 50% of demand charges for those customers who met the requirements set out in the rider. She expressed concern that CPS Energy planned to increase SLP Users to 8.8% and noted that rates should be nondiscriminatory and meet all operations and maintenance expenses.

Nazirite Ruben Flores Perez thanked the Council for the CPS Meeting that was held on Monday and spoke in opposition to the proposed rate increases. He stated that he just retired and does not use a heater due to the increased energy costs.

Cindy Jorgensen, Chair-Elect of the North San Antonio Chamber of Commerce stated that they were in support of the proposed rate increases. She noted that the rate structure and diversified energy sources would serve as a major attraction to economic development for San Antonio. She mentioned that the increases would provide debt service support and remain the lowest rates in the nation. She added that they were very supportive of the recent leadership changes at CPS Energy and requested that the City Council approve the item.

Diana Lopez, Marisol Cortez and Viola Casares representing the Southwest Worker's Union addressed the City Council in opposition to the proposed CPS Energy rate increases. Ms. Lopez stated that they had brought the voices of individuals interviewed at the CPS Energy Office located on WW White Road. She noted that their absence should not be taken as consent, but as disenfranchisement. At this time, a video was presented of various individuals who could not afford to pay their utility bill and opposed to the rate increases.

Tom "Smitty" Smith requested that the City Council vote against the rate increase for five reasons. First, the settlement does not limit all liability as CPS Energy will continue to be liable for operational and maintenance costs on Units 3&4, decommissioning costs, and waste disposal costs. Second, there are moral liabilities in creating waste that CPS Energy does not know how to dispose of. Third, there is no guarantee that the rate increases will not be used to support the nuclear power plant. Fourth, there is no line item detail of the budget and no accountability that the funds will be used as intended. Lastly, there is no incentive for individuals to reduce their demand for energy as a tiered rate structure would have done.

Bill Gunst stated that he was a retired 32-year employee of CPS Energy and stated that he was in support of the proposed rate increases. He noted that he had a great amount of experience with power plants and understood their needs. He mentioned that CPS Energy employees were ratepayers, owners, and good stewards of the city. He reported that CPS Energy had some of the lowest rates in the nation and could offer low-cost energy because they built power plants when others had not had the foresight to do so. He added that revenue support was needed to continue to operate and maintain infrastructure.

Elpidia O. Lopez, Veronica Castillo and Ines Valdez addressed the Council and stated that they represented a group of people that cannot afford the energy to heat their homes or even pay their bills. They noted that they are on fixed incomes and do not have enough money to pay for their medication, doctor visits and utility bills.

Amanda Haas, Brenda Davis and Marisa Gonzalez of the Esperanza Peace and Justice Center addressed the Council in opposition to the proposed rate increases, noting that that they did not want the funds used for dirty energy that included coal, nuclear and gas. Ms. Haas stated that rate increases should be utilized for efficiency and renewables, and requested respect for their opposition to the rate increases. She also asked for respect for the environment and expressed support for conservation. She expressed concern with the cost overruns of nuclear energy and requested all line items for the Capital Budget from CPS Energy. She added that people would suffer as a result of dirty energy and asked that the Council vote with courage and not compliance. Ms. Gonzalez stated that she was opposed to the rate increases and expressed concern that said item had been heard at 9:00 am when most individuals were at work. She noted that the increase would benefit corporate interests and large entities. A representative of the Esperanza Peace and Justice Center mentioned that CPS Energy could not be trusted and asked the City to ensure that no funds would be utilized for nuclear energy. He expressed concern for the individuals that could not afford to pay their energy bills. Ms. Davis spoke in opposition to the rate increases and indicated that she could not pay her utility bill.

Karen Hadden of the SEED Coalition stated that she was very disappointed with CPS Energy and expressed concern with the 7.6% interest in STP 3&4 due to the continued liabilities. She reported that the nuclear project had tripled in cost and that no license had been granted. She noted that the rate increases would not be needed if CPS Energy had properly spent the \$93 million collected from the previous rate increase. She expressed concern that many promises had been made by CPS Energy but there was no guarantee that the rate increase would be spent appropriately. She spoke of the lack of accountability by CPS Energy and the possibility of jeopardizing their credit rating. She stated that there were no safeguards in place and urged all to vote no to the increases.

Sharon Brown stated that she had been in the energy efficiency and renewable energy field for 30 years and opposed the proposed rate increase. She noted that residential energy conservation programs other than weatherization should be implemented and that a review should be performed of the income levels for individuals that do not qualify for the weatherization program. She recommended a demand site management program to reduce power generation and spoke of the need to invest in energy efficiency and conservation retrofits for low-income families.

Monica Velasquez, Imelda Arismendez, and Genevieve Rodriguez of the People's Power Coalition presented a video of individuals throughout the city in opposition to the proposed CPS Energy rate increases. They asked the City Council to vote against the proposed rate increase.

Howard Rogers representing the San Antonio Manufacturer's Association stated that they were in support of the rate increases and bond issuance as they were fully consistent with the principles of their organization. He noted that rates should be fair and equitable to all classes of customers; no rate class should subsidize another; and rates should reflect the cost of service. He added that rate increases were needed to maintain a financially sound power company and commended the new CPS Energy leadership for providing sound recommendations.

Loretta Van Coppenolle of the Alamo Group of the Sierra Club urged CPS Energy to revise its rate structure so that those that overuse energy pay more. She spoke in support of a tiered rate structure designed to conserve energy and noted that it could factor in square footage and number of occupants. She stated that customers that benefit from REAP and Affordability Programs would continue to benefit from those programs and that households with elderly residents, dialysis patients, or other physically impaired could be excluded from the program. She noted that the homes that had been weatherized through the STEP Program should be able to stay within a reasonable tier. She added that the CPS

Energy Green Ribbon Committee had unanimously voted in support of a tiered rate structure that would encourage conservation. She mentioned that Smart Meters were not necessary, as they were costly and complicated. She stated that a tiered structure should be implemented now before the need for new generation occurs.

Petra A. Mata addressed the Council and expressed concern with the timing of the proposed rate increases due to the challenging economic conditions. She stated that the increases would negatively affect poor and low-income families, many of which were not familiar with the assistance programs available. She expressed concern that CPS Energy had withheld information related to the nuclear project.

Alice Canestaro-Garcia spoke against the proposed rate increases and stated that the ratepayers feared the high costs of utilizing energy. She noted the lack of trust for CPS Energy and requested a line item for their Capital Budget. She spoke in support of renewable energy sources and asked the Council to vote against the increases.

Mike Phillips of COPS Metro stated that he understood that rate increases were necessary but expressed concern with the impact to low-income families. He spoke in support of expanding the eligibility for REAP and noted that there were many individuals living on fixed incomes that did not qualify for the program. He asked that the City and CPS Energy develop a vision and long-term strategy to address the increasing energy costs to families. He requested that CPS Energy continue to invest in the STEP Program and noted the cost savings to those with weatherized homes. He stated that there should be more transparency and accountability and that the rate increases should be fairly applied.

Former Councilmember Richard Perez, Carri Wells and Luis De La Garza representing the Greater San Antonio Chamber of Commerce spoke in support of the rate increase. Mr. De La Garza stated that he served as the Chair of the Chamber's Energy and Sustainability Committee and that the Committee had reviewed the proposed rate increase and developed a position of support. He noted that although it was a difficult time to request an increase, it was necessary for the future of the community. Ms. Wells stated that she supported the increase because it would allow CPS Energy to provide long-term reliable and affordable energy. She noted that CPS Energy had kept utility rates among the lowest for many years and spoke of the need to maintain aging power plants and infrastructure. Mr. Perez stated that he welcomed future dialogue regarding the CPS Energy rate structure and expressed support for the rate increase.

Douglas Carter, Previous Past Chair of the South San Antonio Chamber of Commerce and Pete Reyna, Communications Chair, spoke in support of the proposed rate increases. Mr. Carter stated that the Chamber's position was that responsible and well-thought out rate increases were necessary for municipally-owned utilities. He noted that CPS Energy had the most inexpensive rate structure in Texas and was progressive with alternative energy sources.

Former Councilmember Maria Berriozabal spoke in opposition to the proposed rate increase and noted that 25% of children in the city live in poverty. She expressed concern that the issue was being addressed at 9:00 am and noted that many individuals could not come to speak today because they were working. She spoke of the lack of credibility and trust for CPS Energy due to the information that they withheld regarding nuclear energy. She stated that the issue of a tiered rate structure needed to be addressed and added that increases to the assistance programs were not enough. She expressed concern that many were not aware of the programs available and asked that the Council vote to ensure that no funds be utilized toward nuclear energy.

Ben Brewer representing the Downtown Alliance spoke in support of the proposed rate increases in the full amounts recommended by CPS Energy. He noted that they had not requested a base rate increase in many years and that it was necessary to repair aging infrastructure and to increase environmental upgrades. He added that it was important to maintain CPS Energy's excellent bond rating and asked the Council to vote in favor.

Margaret Day, Chair of the Alamo Group of the Sierra Club spoke in opposition to the proposed rate increases and stated that pollution due to nuclear power was harmful to the environment. She noted they had lost trust for CPS Energy and requested that an independent audit be conducted of CPS Energy. She spoke of the need for a tiered rate structure to promote conservation and asked the Council to vote no to the increases.

Rosalynn Warren requested that the Council vote no to the proposed rate increases. She expressed concern that many individuals could not afford to pay their bills and stated that increases to the affordability programs were not enough. She noted that she understood the importance of maintenance but that CPS Energy should not implement 600 projects at one time. She asked of the salaries of the management at CPS Energy. She also expressed concern with the increase to the CPS Energy Budget.

Mario Hernandez, President of the San Antonio Economic Foundation stated that he was in support of the full rate increase for electric and gas rates for CPS Energy. He noted that power and reliability were important factors for businesses looking to relocate to San Antonio. He mentioned that CPS Energy had been a great partner for economic development and that they operated a world class utility system.

Betty Eckert spoke in opposition to the proposed rate increases and stated that she had worked with underprivileged senior citizens for the past 11 years. She noted that many seniors would be too proud to accept assistance through the REAP Program or other programs while many were not aware that the programs existed. She asked if CPS Energy executives would be willing to cut their salaries so that increases are not applied to senior citizens.

Bill Lyons of Casa Rio/Schilos stated that they had operated their business for over 60 years and commended CPS Energy for always having the needed energy available. He noted that CPS Energy had planned well for the future and was pleased that the rates remained competitive. He urged the Council to vote in favor of the rate increases.

Cynthia Wheeler stated that she was opposed to the rate increase and expressed concern that the decision was being made too quickly. She spoke of the lack of trust and accountability by CPS Energy and noted that the REAP and Affordability Program were ineffective and did not make enough of an impact. She added that funds should not be utilized for nuclear energy and spoke of the negative environmental impacts of nuclear waste.

Valerie Toler representing the Alamo City Black Chamber of Commerce stated that they were in support of the proposed rate increases and recognized CPS Energy's commitment to providing inexpensive and reliable energy. She noted that citizens had benefitted from low energy rates for many years and spoke of the need to address operating and capital budget requirements. She read a resolution of support from the Alamo City Black Chamber of Commerce and asked the Council to vote in favor.

Ramiro Cavazos, President of the San Antonio Hispanic Chamber of Commerce spoke in support of the proposed rate increases. He stated that the capital plan would help CPS Energy meet environmental and

regulatory requirements, as well as address operating costs and customer growth. He noted that CPS Energy continued to be a national leader in energy pricing. He also spoke of the need to continue reliability and maintain aging infrastructure. He recognized Ms. Burley for her strong management and keen oversight of the utility.

Jack M. Finger spoke in opposition to the proposed rate increases and stated that the previous rate increase of 3.5% was not needed. He expressed concern regarding the information withheld by CPS Energy related to nuclear energy and asked of CPS Energy's backup plan if the rate increase was not approved.

Mrs. Vacek read the following four Written Testimonies received for Item 4:

Shay Bluntzer, Director of Government Relations for NuStar Energy, L.P. wrote in support of the CPS Energy proposal to increase electric and gas base rates and issue bonds to meet their operating and capital budget requirements. Mr. Bluntzer wrote that the measures were necessary for CPS Energy to continue to serve the long-term energy needs of the community and to maintain its strong credit rating. He wrote that CPS Energy had done a great job in keeping the energy rates low and that even with the rate increases, San Antonio would continue to be competitive with its energy costs remaining lower than those of surrounding communities.

Faris Hodge, Jr. wrote in opposition to the rate increases and noted that he was part of the working poor. He wrote that it was not fair that companies with high CPS Energy bills did not pay taxes.

Lisa Talley, President of the North Central Neighborhood Association wrote in opposition to the proposed CPS Energy rate increases. Ms. Talley wrote that she struggled with usage, as well as peak capacity and fuel adjustment charges. She expressed concern that she did not qualify for rebates and that low-income individuals should pay a lower rate per kilowatt hour than those that make more money. She wrote that CPS Energy had been deceitful and had not been good stewards of public money.

Mariana Ornelas, Energia Mia, wrote against the proposed CPS Energy rate increases. Ms. Ornelas noted that approval of the rate increases would provide a backdoor entrance paving the way for a nuclear power expansion. She stated that the City Council did not know exactly how the increase would be spent. She asked of the \$93 million that had been collected from the 3.5% rate increase approved in May, 2008. She wrote that there had not been enough time for citizens to organize and respond to the proposed rate increases and that was not an appropriate model for transparent policy-making. She wrote that credibility issues with CPS Energy still existed and urged the City Council to vote no to the rate increases.

Councilmember Williams recognized the Mayor and Councilmembers for their work on said item and spoke of the two meetings held in the evening to allow citizen input. He noted that rate increases were not popular but were necessary to maintain the financial integrity of the utility. He presented a line item budget of how said increases will be utilized and spoke of the importance of maintaining infrastructure. He mentioned that CPS Energy is accountable to producing audited financials and required to follow regulations of the Public Utility Commission. He stated that the focus should be on the debt to equity ratio, as well as the principle and interest coverage. He added that those two metrics will help maintain a strong and viable utility. He requested that CPS Energy provide regular updates to the City Council to maintain transparency and accountability.

Councilmember Williams moved to adopt the proposed rate increase Ordinance. Councilmember Cortez seconded the motion.

Councilmember Cortez thanked all that came to speak on said matter and recognized Betty Eckert for her comments regarding senior citizens. He asked of the enhancement to the assistance programs. Ms. Burley referenced Slide 7 and stated that the Affordability Discount Program would be increased by \$5.57 and were recommending an increase to the REAP Program to authorize assistance to \$200 twice a year. Councilmember Cortez asked of the new families that would be recruited for the programs. Ms. Burley replied that they would increase the number of participants in the Affordability Discount Program by 10,000 and that the REAP Program had provided assistance to 9,000 households. Councilmember Cortez asked of the members of the REAP Board. Ms. Burley replied that Mayor Castro, County Judge Wolff, and Milton Lee served on the REAP Board. Councilmember Cortez asked of the outreach for assistance programs. Ms. Burley stated that information was provided on the monthly bill and through the call center. Councilmember Cortez requested that CPS Energy commit to aggressively market the assistance programs available and Ms. Burley agreed to same. Councilmember Cortez asked of the number of public hearings that were held regarding the proposed increase. Ms. Burley reported that a total of six sessions and public hearings were held. Councilmember Cortez noted that rate increases were difficult but even if the increases were approved; the city would still have the lowest rate in Texas for comparable size cities.

Councilmember Ramos made a friendly amendment that there shall be no portion of the rate increase utilized toward future development costs for STP 3 and 4. Councilmember Medina seconded the friendly amendment. Councilmembers Williams and Cortez accepted the friendly amendment.

Councilmember Chan thanked CPS Energy staff for their work and stated that Councilmember Williams' comments were right on target. She noted that since Summer, 2009, it had been communicated to all that a portion of the rate increase would be utilized toward capital improvements. She reiterated the friendly amendment by Councilmember Ramos that none of the increase would be utilized for STP 3 and 4. She mentioned that the rate increase was necessary to support continued growth and provide affordable energy. She added that everyone was suffering from the challenging economy but noted that the increase was justified.

Councilmember Ramos thanked Councilmember Williams for his leadership on said item and also thanked the CPS Energy Board Members, specifically Board Chair Charles Foster, for their work. She recognized Mayor Castro for his work with CPS Energy and mentioned the improvements that have been made to improve communication and transparency. She stated that she would be supporting the increase but it was a difficult decision to make when taking into account the needs of her district. She asked of the amount that would be allocated to each home for weatherization. Ms. Burley replied that \$3,000 would be utilized per home for retrofitting. Councilmember Ramos spoke in support of the increase recommended for the REAP Program and expanding the eligibility requirements. She reiterated that CPS Energy would provide outreach regarding assistance programs to the Senior Nutrition Centers. She spoke of the many opportunities for citizens to provide input through public meetings and added that the need for an increase was justified.

Councilmember Medina recognized Mayor Castro for his leadership on said item and concurred with Councilmember Williams regarding the need for regular updates from CPS Energy. He emphasized that none of the funds collected from the rate increase would be utilized for STP 3 and 4. He asked of the amount of the settlement that would be allocated for REAP and of the assistance provided. Ms. Burley stated that \$2.5 million would be provided each year for the next four years and that city staff

administers the REAP Program. Cindy Schoenmakers stated that they assessed each situation and that a payment plan was worked out with each customer. Councilmember Medina stated that he was in support of increasing the amount of assistance provided through the REAP Program as it was important to customers during these difficult times. Councilmember Medina requested a commitment from CPS Energy to have staff attend the Senior Nutrition Centers to provide information on the assistance programs available. Ms. Burley stated that they were in discussions with city staff regarding outreach efforts and would ensure that it was a component of the outreach program.

Councilmember Cisneros stated that she needed to be accountable to the constituents of District 1 and would provide rationale for her support of the rate increases. She thanked CPS Energy for their commitment and noted that they were one of the best-run municipally owned utilities in the nation. She recognized CPS Energy for working toward restoring trust and regaining public confidence. She mentioned that a strong utility is vital to the success of the city and spoke of the need to maintain infrastructure and supply reliable power. She expressed concern with the timing of the increase but noted that it was necessary. She requested that CPS Energy tighten their budgets and enact cost-saving measures and administrative efficiencies. She asked for assurance that CPS Energy would not utilize funds from the increase toward the STP 3 and 4. Ms. Burley confirmed same. Councilmember Cisneros asked of the enhancement to the assistance programs. Ms. Burley reported that the budget for REAP was being doubled and that additional participants would be served. She added that they would target an additional 10,000 customers through the Affordability Discount Program.

Councilmember Cisneros requested assurance that the commitments made to the STEP and REAP Programs were not negatively impacted as a result of the proposed increase. Ms. Burley confirmed CPS Energy's commitment to the Programs. Cris Eugster of CPS Energy added that they were committed to partnering with the city to achieve the goals of Mission Verde. Councilmember Cisneros asked of the amount of the increase that would be utilized to address environmental issues. Mr. Eugster reported that \$70 million would be utilized to place Financial Congestion Rights (FCR) controls on their plant. Councilmember Cisneros requested quarterly meetings with CPS Energy and asked that they include city staff member Laurence Doxsey to review efficiency. She added that she would ensure that residents had information regarding the assistance programs available through CPS Energy.

Councilmember Rodriguez stated that although nobody was in favor of rate increases, they were sometimes necessary. He recognized CPS Energy for their increased communication and transparency. He spoke of the importance of weatherization and requested a commitment from CPS Energy to address weatherization issues within the inner city. He recognized the CPS Energy Board Members and stated that the rate increases were justified and necessary for the future of the utility.

Councilmember Taylor thanked everyone that spoke on said item and stated that the increase came at a difficult time due to the economic conditions and lack of trust for CPS Energy. She noted that she was encouraged by recent steps taken by CPS Energy to improve transparency and renew public trust. She mentioned that it was a difficult decision to make and referenced the video that was presented in which ratepayers expressed opposition to the rate increases. She added that it was her responsibility and obligation to ensure that CPS Energy is able to provide long-term reliable energy at a reasonable cost. She noted that citizen testimony conveyed the message that individuals were having difficulties in paying for basics such as food, shelter and utility bills and there should be policies in place to improve educational levels and creating good-paying jobs. She recognized Councilmember Williams for his leadership on this issue and thanked Ms. Van Coppenolle for her comments regarding a tiered rate structure.

Councilmember Taylor inquired of the comments that had been made regarding the misuse of funds collected from the 3.5% rate increase. Ms. Burley stated that they had requested a 5% rate increase and when the reduced rate increase was approved; their plan had to be revised. The funds were allocated to capital financing for Spruce, transmission and distribution projects, and a reduced amount dedicated to efficiency. She clarified that the funds were not utilized for the nuclear plants. Councilmember Taylor suggested that staff review the possibility of expanding the board composition for the REAP Program. She asked of the program in which CPS Energy Employees volunteered to assist the community to improve their properties. Mr. Burley stated that the Weatherization Program was more technical and efficient but would bring forward some recommendations for utilizing CPS Energy Employees. Councilmember Taylor reiterated the importance of outreach efforts to inform the community of the assistance programs available and suggested collaborating with grassroots organizations and churches.

Councilmember Clamp thanked Ms. Burley for their superb work and noted CPS Energy's dedication to the City of San Antonio. He spoke of the importance of communication and transparency and noted that today's vote was right for the community and a tremendous vote of confidence in CPS Energy. He asked of Off-System Sales. Ms. Burley stated that they will work with city staff to develop a policy on utilization of off-system sales net margins and provide periodic updates to the City Council. Councilmember Clamp expressed support for all of the information provided and meetings held in preparation for the rate increase. He spoke of the importance of concentrating on capital expenditures over the next 10 years and work to keep the rates steady in the future. He expressed concern with the debt structure and noted the need to manage the total amount of debt. He stated that CPS Energy should communicate the benefits to customers regarding how the funds from the rate increases are being utilized. He recognized Ms. Van Coppenolle for her comments in support of a tiered rate structure.

Councilmember Lopez thanked everyone for their comments and asked when dialogue would begin regarding the tiered rate structure. Ms. Burley replied that they would begin discussions very soon and that a pilot program on advanced metering would be implemented over the next two years. Councilmember Lopez stated that responsibility and accountability were critical and recommended creating a Council Committee to review energy policies and provide guidance. He asked if the detailed financial information provided to the City Council was available to the public. Ms. Burley reported that the CPS Energy Annual Statement was online but the budget that had been approved on February 8, 2010 was not yet online. Councilmember Lopez noted that the information should be made available to the public as it reinforces the need for the increases.

Mayor Castro stated that CPS Energy was headed in a much better direction than a few months ago and that there had previously been a culture of reflexive secrecy. He expressed concern with the request that had been made by the Express News regarding the salaries of CPS Executives that had been denied. He noted that many changes have been made to the culture at CPS Energy and they were moving in a positive direction. He mentioned that the line item budget should be available online and that it was important to determine what data was truly confidential due to competitive matters. He concurred with Councilmember Medina with respect to CPS Energy providing staff at the Senior Nutrition Centers and making senior citizens aware of the assistance programs available. He made mention of the election that was held in San Antonio to freeze property tax rates for senior citizens and thanked Councilmembers Ramos, Cortez, and Medina for their advocacy of senior citizens.

Mayor Castro asked of the number of homes that would be weatherized. Ms. Burley reported that over a 10 year period; 45,000 homes would be weatherized. Mayor Castro concurred with Councilmember Williams and Lopez in regard to looking at a tiered rate structure in the future. He expressed concern that the organizational culture of the utility did not respect sustainability as it should and referenced the

reduction in energy efficiency programs by CPS Energy. He mentioned that the Council and citizens wanted San Antonio to be a leader in sustainability but could not rely solely on renewables as that would require the rates to be greater increased. He noted that the vote on the nuclear project was called off due to the significant increase in the cost. He added that the settlement was a victory to the city and that no more money would need to be invested in the nuclear project.

Mayor Castro mentioned that there was never a good time for a rate increase, especially with the challenging economic conditions, but the Council was mindful of the impact. He reported that CPS Energy had delivered some of the lowest rates for a large Texas city and had been very responsible in asking for a rate increase. He added that there was a demonstrated necessity for a rate increase and was fully supportive of the rate request. Lastly, he spoke of the added level of scrutiny on how the funds are utilized and thanked all the CPS Board Members for their service.

The motion with the friendly amendment prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read Item 5:

Item 5. CONSIDERATION OF THE FOLLOWING ITEMS RELATING TO CPS ENERGY FINANCIAL TRANSACTIONS:

2010-02-18-0123

- A. AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS TAX-EXEMPT REVENUE BONDS, NEW SERIES 2010 AND/OR AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF SAN ANTONIO, TEXAS ELECTRIC AND GAS SYSTEMS TAXABLE REVENUE BONDS, NEW SERIES 2010A (DIRECT SUBSIDY - BUILD AMERICA BONDS), IN A COMBINED PRINCIPAL AMOUNT NOT TO EXCEED \$380 MILLION, FOR NON-NEW GENERATION NUCLEAR PURPOSES, THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT, AND EXECUTION OF PAYING AGENT/REGISTRAR AGREEMENTS AND BOND PURCHASE AGREEMENTS.

2010-02-18-0008R

- B. A RESOLUTION APPROVING CPS ENERGY'S INTENT TO REIMBURSE ITSELF FOR ELIGIBLE CAPITAL CONSTRUCTION EXPENSES MADE IN ANTICIPATION OF THIS BOND ISSUANCE.

Councilmember Cortez moved to adopt the proposed Ordinance for Item 5A and approve the Resolution for Item 5B. Councilmember Cisneros seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

RECESSED

Mayor Castro recessed the meeting at 1:42 pm to break for lunch and noted that the meeting would resume at 2:45 pm.

RECONVENED

Mayor Castro reconvened the meeting at 2:54 pm and addressed the Zoning Items.

CONSENT ZONING ITEMS

Councilmember Cisneros made a motion to approve Items Z-1 and Z-2, noting that Staff and Zoning Commission recommendation were to approve and that no citizens had registered to speak against. Councilmember Ramos seconded the motion.

Councilmember Ramos recognized the owners of Guadalupe Lumber Company and thanked them for investing in District 3.

Jack M. Finger spoke in opposition to the Bail Bond Agency in Item Z-2 and the alcohol sales that would be authorized for Wal-Mart Stores in Item Z-3. He stated that he was opposed to the Tire Repair Shop in Item Z-6 since it was located over the Edwards Recharge Zone.

The motion to approve the Consent Zoning Items prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

2010-02-18-0152

Item Z-1. **ZONING CASE # Z2010033 (District 3):** An Ordinance amending the Zoning District Boundary from "I-1 AHOD" General Industrial Airport Hazard Overlay District, "C-3 AHOD" General Commercial Airport Hazard Overlay District, "C-1 AHOD" Light Commercial Airport Hazard Overlay District and "R-4 AHOD" Residential Single-Family Airport Hazard Overlay District to "C-3 NA AHOD" General Commercial Nonalcoholic Sales Airport Hazard Overlay District on 8.972 acres out of NCB 11155 located on the 3800 Block of Pleasanton Road. Staff and Zoning Commission recommend approval.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: 8.972 ACRES OUT OF NCB 11155 TO WIT: FROM "I-1 AHOD" GENERAL INDUSTRIAL AIRPORT HAZARD OVERLAY DISTRICT, "C-3 AHOD" GENERAL COMMERCIAL AIRPORT HAZARD OVERLAY DISTRICT, "C-1 AHOD" LIGHT COMMERCIAL AIRPORT HAZARD OVERLAY DISTRICT AND "R-4 AHOD" RESIDENTIAL SINGLE-FAMILY AIRPORT HAZARD OVERLAY DISTRICT TO "C-3NA AHOD" GENERAL COMMERCIAL NONALCOHOLIC SALES AIRPORT HAZARD OVERLAY DISTRICT.

2010-02-18-0154

Item Z-2. **ZONING CASE # Z2010013 S (District 5):** An Ordinance amending the Zoning District Boundary from "IDZ AHOD" Infill Development Zone Airport Hazard Overlay District with uses permitted in "R-4" Residential Single-Family District and "C-2" Commercial District to "IDZ AHOD" Infill Development Zone Airport Hazard Overlay District with uses permitted in "C-2 NA S" Commercial District, Nonalcoholic Sales with a Specific Use Authorization for a Bail Bond Agency on 0.2201 of an acre out of NCB 2267 located at 213, 215, 219 North San Marcos Street. Staff and Zoning Commission recommend approval.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: 0.2201 OF AN ACRE OUT OF NCB 2267 TO WIT: FROM "IDZ" INFILL DEVELOPMENT ZONE WITH USES PERMITTED IN "R-4" RESIDENTIAL SINGLE-FAMILY DISTRICT AND "C-2" COMMERCIAL DISTRICT TO "IDZ" INFILL DEVELOPMENT ZONE WITH USES PERMITTED IN "C-2 NA S" COMMERCIAL DISTRICT, NONALCOHOLIC SALES WITH A SPECIFIC USE AUTHORIZATION FOR A BAIL BOND AGENCY PROVIDED ALL CONDITIONS IMPOSED BY THE CITY COUNCIL ARE ADHERED TO.

[CONSENT ZONING ITEMS CONCLUDED]

ZONING ITEMS FOR INDIVIDUAL CONSIDERATION

2010-02-18-0153

Item P-1. **PLAN UPDATE #U10002 (District 5):** An Ordinance amending the Kelly/S. San PUEBLO Community Plan, a component of the Master Plan of the City, to update the land use plan map and text and the plan elements section, for an area of approximately 3,175 acres generally bound by Highway 90 to the north, Frio City Road and Zarzamora on the east, Military Drive to the south, and Port San Antonio on the west. Staff and Planning Commission recommend approval.

Patrick Howard presented Item P-1 and outlined the Land Use Map changes in which Highway 90 and 36th Street would be reclassified to Heavy Industrial; Quintana Road between Frio City Road and Dunton reclassified to Regional Commercial; and Southcross at Quintana Road reclassified to Mixed Use. He noted that Planning Team Meetings were held in August, September, and October, 2009, and that an Open House Public Meeting was held on November 19, 2009.

Nazirite Ruben Flores Perez showed the property on a map and stated that he was the representative for the area on the San Antonio River Authority but would be speaking as a citizen. He spoke of the contamination at Kelly Air Force Base and asked that testing be conducted prior to more investment of the area.

Emil R. Moncivais representing Port San Antonio stated that they recommended approval of the Plan Update. He noted that he was part of the Planning Action Team and looked forward to assisting with the process and addressing the identified issues.

Councilmember Medina expressed support and asked of the possible historic designation. Mr. Howard replied that they were exploring the creation of a town center with historic designation, as well as new parks for the area. Councilmember Cortez also expressed support and noted that there had been adequate public participation.

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

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez; Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

RECONSIDERED (REFER TO PAGES 19 AND 20)

Item Z-3. **ZONING CASE # Z2010016 (District 7):** An Ordinance amending the Zoning District Boundary from "C-3 AHOD" General Commercial Airport Hazard Overlay District and "C-3 NA

AHOD" General Commercial Nonalcoholic Sales Airport Hazard Overlay District to "C-3 AHOD" General Commercial Airport Hazard Overlay District on 10.341 acres out of NCB 17120 located at 5025 Northwest Loop 410. Staff recommends approval. Zoning Commission recommends approval with the removal of the Airport Hazard Overlay District.

Chris Looney presented Item Z-3 and noted that staff recommended approval and that the Zoning Commission recommended approval with the removal of the Airport Hazard Overlay District.

Councilmember Rodriguez moved to continue Item Z-3 for two weeks. Councilmember Cisneros seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

*Item Z-3 was reconsidered and approved. Please refer to pages 19 and 20.

CONTINUED

Item Z-4. **ZONING CASE # Z2009165 HS (District 7):** An Ordinance amending the Zoning District Boundary from "C-2 AHOD" Commercial Airport Hazard Overlay District to "HS C-2 AHOD" Historic Significant Commercial Airport Hazard Overlay District on the northeast 522 feet of Lot 6, NCB 8349 located at 3031 West Woodlawn Avenue. Staff and Zoning Commission recommend approval.

Chris Looney presented Item Z-4 and noted that staff and Zoning Commission recommended approval.

Councilmember Rodriguez moved to continue Item Z-4 for 30 days. Councilmember Clamp seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** Medina.

CONTINUED

Item Z-5. **ZONING CASE # Z2009063 (District 8):** An Ordinance amending the Zoning District Boundary from "R-6" Residential Single-Family District to "C-2" Commercial District on 1.556 acres out of NCB 14702 located at 9545 Huebner Road. Staff and Zoning Commission recommend approval.

Chris Looney presented Item Z-5 and noted that staff and the Zoning Commission recommended approval.

Andrew Guerrero, Applicant, requested a continuance to March 4, 2010.

Councilmember Williams moved to continue Item Z-5 until March 4, 2010. Councilmember Rodriguez seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** Medina.

2010-02-18-0156

Item Z-6. **ZONING CASE # Z2010034 S ERZD (District 8):** An Ordinance amending the Zoning District Boundary from "C-3 ERZD AHOD MLOD-1" General Commercial Edwards Recharge Zone

Airport Hazard Overlay Military Lighting Overlay District to "C-3 S ERZD AHOD MLOD-1" General Commercial Edwards Recharge Zone Airport Hazard Overlay Military Lighting Overlay District with a Specific Use Authorization for Tire Repair - Auto and Small Truck on Lot 3, Block 1, NCB 17700 located at 4537 West Loop 1604 North. Staff and Zoning Commission recommend approval.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: LOT 3, BLOCK 1, NCB 17700 TO WIT: FROM "C-3 ERZD AHOD MLOD-1" GENERAL COMMERCIAL EDWARDS RECHARGE ZONE AIRPORT HAZARD OVERLAY MILITARY LIGHTING OVERLAY DISTRICT TO "C-3 S ERZD AHOD MLOD-1" GENERAL COMMERCIAL EDWARDS RECHARGE ZONE AIRPORT HAZARD OVERLAY MILITARY LIGHTING OVERLAY DISTRICT WITH A SPECIFIC USE AUTHORIZATION FOR TIRE REPAIR - AUTO AND SMALL TRUCK PROVIDED ALL CONDITIONS IMPOSED BY THE CITY COUNCIL ARE ADHERED TO.

Chris Looney presented Item Z-6 and noted that staff and the Zoning Commission recommended approval.

Michael DeNuccio representing the applicant stated that the facility would be a Discount Tire Company and was located over the Recharge Zone. He provided the site plan and noted that they would provide 65% impervious cover and incorporate low-impact development features. He noted that they had received support from city staff and SAWS, and had coordinated with the US Army.

Councilmember Williams stated that the applicant had worked closely with SAWS and commended them for the 65% impervious cover. He asked of the features to protect the aquifer. Mr. DeNuccio replied that they were incorporating a bioswale that would provide natural filtration of the water before it becomes part of the stormwater run-off. He added that a rainwater cistern would capture the water to be recycled and that the driveway surfaces would be made of concrete so there will be no hydrocarbons to harm the environment. Councilmember Williams reported that there would be no oil changes performed on the site and no underground storage tanks.

Councilmember Williams moved to adopt the proposed Ordinance. Councilmember Chan seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

At this time, Item Z-3 was reconsidered.

2010-02-18-0155

Item Z-3. **ZONING CASE # Z2010016 (District 7):** An Ordinance amending the Zoning District Boundary from "C-3 AHOD" General Commercial Airport Hazard Overlay District and "C-3 NA AHOD" General Commercial Nonalcoholic Sales Airport Hazard Overlay District to "C-3 AHOD" General Commercial Airport Hazard Overlay District on 10.341 acres out of NCB 17120 located at 5025 Northwest Loop 410. Staff recommends approval. Zoning Commission recommends approval with the removal of the Airport Hazard Overlay District.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: 10.341 ACRES OUT OF NCB 17120 TO WIT: FROM "C-3 AHOD" GENERAL COMMERCIAL AIRPORT HAZARD OVERLAY DISTRICT AND "C-3 NA AHOD" GENERAL COMMERCIAL NONALCOHOLIC SALES AIRPORT HAZARD OVERLAY DISTRICT TO "C-3 AHOD" GENERAL COMMERCIAL AIRPORT HAZARD OVERLAY DISTRICT.

Councilmember Cortez moved to reconsider Item Z-3. Councilmember Chan seconded the motion. The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

Councilmember Rodriguez stated that the issues had been resolved and moved to adopt Item Z-3 as recommended by staff. Councilmember Ramos seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

2010-02-18-0157

Item Z-7. **ZONING CASE # Z2010035 (District 8):** An Ordinance amending the Zoning District Boundary from "C-3NA AHOD" General Commercial Nonalcoholic Sales Airport Hazard Overlay District, "I-1 AHOD S" General Industrial Airport Hazard Overlay District with a Specific Use Authorization for a Heliport, and "R-5 AHOD" Residential Single-Family Airport Hazard Overlay District to "C-3 AHOD" General Commercial Airport Hazard Overlay District on 25.675 acres out of Lot 4, Block 6, NCB 12816 located at 4502 Medical Drive. Staff and Zoning Commission recommend approval.

AMENDING CHAPTER 35 OF THE CITY CODE THAT CONSTITUTES THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF SAN ANTONIO BY CHANGING THE CLASSIFICATION AND REZONING OF CERTAIN PROPERTY DESCRIBED HEREIN AS: 25.675 ACRES OUT OF LOT 4, BLOCK 6, NCB 12816 TO WIT: FROM "C-3NA AHOD" GENERAL COMMERCIAL NONALCOHOLIC SALES AIRPORT HAZARD OVERLAY DISTRICT, "I-1 AHOD S" GENERAL INDUSTRIAL AIRPORT HAZARD OVERLAY DISTRICT WITH A SPECIFIC USE AUTHORIZATION FOR A HELIPORT, AND "R-5 AHOD" RESIDENTIAL SINGLE-FAMILY AIRPORT HAZARD OVERLAY DISTRICT TO "C-3 AHOD" GENERAL COMMERCIAL AIRPORT HAZARD OVERLAY DISTRICT.

Chris Looney presented Item Z-7 and noted that staff and the Zoning Commission recommended approval.

Mark Webb, representing University Health Systems stated that the zoning application was part of the new hospital project worth \$778 million. He noted that the project included a new tower, garage, and a heliport which said Ordinance amendment would allow.

Charles Liles, President of the Wurzbach Homeowners Association expressed concern with the proximity of helicopters to their homes. He stated that they understood the importance of the medical center and helicopter flights but were opposed to the new location of a helicopter pad being located on the roof of a three-story building. He added that their concerns were safety and noise issues.

Councilmember Williams moved to adopt the proposed Ordinance. Councilmember Chan seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

2010-02-18-0158

Item P-2. **PLAN UPDATE #U10001 (District 2):** An Ordinance amending the Camelot I Neighborhood Plan, a component of the Master Plan of the City, to update the land use plan map and text for an area of approximately 1.5 square miles, generally bound by Walzem Road to the north and east, Eisenhower Road to the south, and the City of Windcrest to the west. Staff and Planning Commission recommend approval.

Patrick Howard presented Item P-2 and stated that language would be included regarding Community Goals and that the Low Density Mixed Use land use category would be added. He outlined the land use map changes that included Low Density Mixed Use along Walzem Road; adding Business Park and Low Density Residential Uses along Walzem Road; and increasing Low Density Residential Uses along Eisenhower Road. He stated that their goal was to promote development that supports and is compatible with the Camelot I Neighborhood Plan. He noted that they would partner with the City of Windcrest to encourage transparency and open dialogue in regard to development near the Camelot I planning area. He added that four Planning Team meetings were held from August through September, 2009 and that an open house was held on November 12, 2009.

Grase Neie of Camelot I thanked the Mayor and Councilmember Taylor for meeting with them and addressing neighborhood concerns. She stated that they were proud of their neighborhood and looked forward to its expansion and improvements.

Councilmember Taylor thanked the members of the Camelot I Neighborhood that were in attendance and commended them for their energy and hard work in maintaining a good quality of life. She added that it was her hope that individuals moving to the city to work at Fort Sam Houston would move into the neighborhood.

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

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

Item 6 was addressed at this time.

Item 6. CONSIDERATION OF THE FOLLOWING ITEMS RELATING TO THE APPROVAL OF THE PRELIMINARY OFFICIAL STATEMENT AND SALE OF MUNICIPAL FACILITIES CORPORATION LEASE REVENUE REFUNDING BONDS, SERIES 2010 (DEVELOPMENT & BUSINESS SERVICES CENTER PROJECT):

At this time, Mayor Castro announced that the City Council of San Antonio would recess and convene as the City of San Antonio, Texas Municipal Facilities Corporation Board of Directors to consider Items 6A and 6B:

The City Clerk read the Resolutions for Items 6A and 6B:

MFC 2010-02-18-0001R

- A. A RESOLUTION APPROVING AN AMENDMENT TO SECTION 4.01 OF THE BYLAWS OF THE CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION RELATING TO THE APPOINTMENT OF THE MAYOR AND MAYOR PRO-TEM OF THE CITY TO SERVE AS THE PRESIDENT AND VICE PRESIDENT OF CORPORATION.

MFC 2010-02-18-0002R

- B. A RESOLUTION APPROVING THE FORM, CONTENT, AND DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT PERTAINING TO THE ISSUANCE, SALE AND DELIVERY OF APPROXIMATELY \$12,000,000.00 IN PRINCIPAL AMOUNT OF CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION LEASE REVENUE REFUNDING BONDS, SERIES 2010 (DEVELOPMENT & BUSINESS SERVICES CENTER PROJECT); COMPLYING WITH THE REQUIREMENTS CONTAINED IN SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12; AND AUTHORIZING THE CITY'S STAFF, CO-FINANCIAL ADVISORS AND BOND COUNSEL TO TAKE ALL ACTIONS DEEMED NECESSARY IN CONNECTION WITH THE SALE OF SUCH OBLIGATIONS.

Ben Gorzell stated that the Mayor and Councilmembers served as the Board of Directors of the Texas Municipal Facilities Corporation and it had been created to authorize the issuance of debt to fund the construction of the Planning and Development Services One-Stop Center. He noted that the Resolution for Item 6A would amend the bylaws to reflect that the Mayor and Mayor Pro-Tem would serve as the President and Vice President, respectively. He added that Item 6B would authorize the refinancing of existing debt for savings.

Director Cortez moved to approve the Resolutions for Items 6A and 6B. Director Cisneros seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

*Resolution numbers 2010-08-18-0009R and 2010-02-18-0010R were voided.

At this time, Mayor Castro adjourned the Municipal Facilities Corporation Board of Directors and reconvened the City Council of San Antonio.

The City Clerk read the captions for Items 6C, 6D and 6E.

2010-02-18-0011R

- C. A RESOLUTION APPROVING AN AMENDMENT TO SECTION 4.01 OF THE BYLAWS OF THE CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION RELATING TO THE APPOINTMENT OF THE MAYOR AND MAYOR PRO-TEM OF THE CITY TO SERVE AS THE PRESIDENT AND VICE PRESIDENT OF CORPORATION.

2010-02-18-0012R

D. A RESOLUTION REQUESTING THE CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION (THE "CORPORATION") TO ISSUE LEASE REVENUE REFUNDING BONDS IN ORDER TO REFUND A PORTION OF THE CORPORATION'S OUTSTANDING "CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION LEASE REVENUE BONDS, SERIES 2001" THAT WERE ISSUED TO FINANCE THE ACQUISITION AND CONSTRUCTION OF THE DEVELOPMENT & BUSINESS SERVICES CENTER; APPROVING THE FORM OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH REFUNDING BONDS; COMPLYING WITH THE REQUIREMENTS CONTAINED IN SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12; AUTHORIZING THE CITY'S STAFF, CO-FINANCIAL ADVISORS, AND BOND COUNSEL TO TAKE ALL ACTIONS DEEMED NECESSARY IN CONNECTION WITH THE SALE OF SUCH OBLIGATIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

2010-02-18-0124

E. AN ORDINANCE APPROVING AN AMENDED AND RESTATED LEASE AGREEMENT BETWEEN THE CITY AND THE CITY OF SAN ANTONIO, TEXAS MUNICIPAL FACILITIES CORPORATION RELATING TO THE DEVELOPMENT & BUSINESS SERVICES CENTER AND CONSENTING TO THE EXECUTION AND DELIVERY BY THE CORPORATION OF AN AMENDED AND RESTATED TRUST AGREEMENT, AN AMENDED AND RESTATED MORTGAGE, AN AMENDED AND RESTATED SECURITY AGREEMENT AND OTHER RELATED AGREEMENTS, ALL IN CONNECTION WITH THE ISSUANCE BY THE CORPORATION OF ITS LEASE REVENUE REFUNDING BONDS TO REFUND A PORTION OF THE CORPORATION'S LEASE REVENUE BONDS, SERIES 2001 THAT WERE ISSUED TO FINANCE THE ACQUISITION AND CONSTRUCTION OF THE DEVELOPMENT & BUSINESS SERVICES CENTER; AUTHORIZING OTHER NECESSARY ACTIONS RELATING THERETO; AND PROVIDING FOR AN EFFECTIVE DATE.

Councilmember Cortez moved to approve the Resolutions for Items 6C and 6D and adopt the proposed Ordinance for Item 6E. Councilmember Cisneros seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

CONSENT AGENDA-Items 7-36

Consent Agenda Items 9, 11, 14, 17, 22, 25 and 31 were pulled for Individual Consideration. It was noted that Items 20 and 35 were pulled from the agenda by city staff. Councilmember Cisneros moved to approve the remaining Consent Agenda Items. Councilmember Ramos seconded the motion.

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

Nazirite Ruben Flores Perez spoke of the lease agreement with the Mexican American Unity Council and asked if the name could be changed to Texas Latinos (Item 11). He spoke in support of the agreement with the San Antonio River Authority for installation of signage and wayfinding along the San Antonio River (Item 24).

Jack M. Finger spoke against the sale of property located at 423 Dakota by the San Antonio Development Agency (Item 13). He asked of the need for reimbursement related to the Stag Parkway Business Solutions Tradeshow and the National Cattleman's Beef Association Annual Convention (Item 22). He stated that government should not subsidize the housing projects within Districts 2 and 5 in Items 27A and 27B.

Faris Hodge, Jr. submitted written testimony in favor of Items 7-11, 13-25, and 27-33. He wrote in opposition to the lease agreements for the District 5 Constituent Offices (Item 12) and against the issuance of \$175,000,000 General Improvement Refunding Bonds in Item 26.

Written testimony was received from Rollette Schreckenghost, President of the San Antonio Conservation Society in support of the Resolution incorporating the Strategic Historic Preservation Plan into the City of San Antonio Comprehensive Plan (Item 29). Ms. Schreckenghost wrote that the Conservation Society was pleased to play an active role in the process of creating the Plan and commended the consultants and city staff for their efforts.

The motion to approve the remaining Consent Agenda Items prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAYS:** None. **ABSENT:** None.

2010-02-18-0125

Item 7. AN ORDINANCE AUTHORIZING THE ACCEPTANCE OF A \$754,310.00 GUARANTEED MAXIMUM PRICE PROPOSAL FOR THE TERMINAL B FURNITURE, FIXTURES AND EQUIPMENT PACKAGE AND AMENDING THE CLARK/BYRNE CONSTRUCTION MANAGER AT RISK CONTRACT FOR THE AIRPORT TERMINAL EXPANSION PROJECT, LOCATED AT THE SAN ANTONIO INTERNATIONAL AIRPORT.

2010-02-18-0126

Item 8. AN ORDINANCE AUTHORIZING A FUNDING AGREEMENT IN THE AMOUNT OF \$760,000.00 WITH ENTERPRISE PRODUCTS OPERATING, L.P., A PRIVATE UTILITY COMPANY, FOR RELOCATION OF UTILITIES FOR THE INDIAN CREEK CHANNEL IMPROVEMENTS PROJECT, A 2007-2012 GENERAL OBLIGATION BOND PROJECT, LOCATED IN COUNCIL DISTRICT 4.

2010-02-18-0129

Item 10. AN ORDINANCE AUTHORIZING THE PURCHASE OF AN AQUIFER-PROTECTION CONSERVATION EASEMENT ON THE ZUBERBUELER RANCH, MEDINA COUNTY, TEXAS FOR \$997,090.73 AS PART OF THE PROPOSITION ONE EDWARDS AQUIFER PROTECTION VENUE PROJECT.

Item 12. CONSIDERATION OF THE FOLLOWING ORDINANCES RELATED TO COUNCIL DISTRICT 5 CONSTITUENT OFFICE LEASE AGREEMENTS:

2010-02-18-0131

A. AN ORDINANCE AUTHORIZING RENEWAL OF A SIX-YEAR LEASE AGREEMENT WITH AVENIDA GUADALUPE ASSOCIATION, INC. FOR OFFICE SPACE AT 1410 GUADALUPE STREET AT AN INITIAL MONTHLY RATE OF \$530.00 INCREASING TO \$911.00 PER MONTH IN THE SIXTH YEAR OF THE RENEWAL TERM.

2010-02-18-0132

- B. AN ORDINANCE AUTHORIZING RENEWAL OF A TWO-YEAR LEASE AGREEMENT WITH RSV, INC. FOR OFFICE SPACE AT 3226 NOGALITOS STREET, SUITE 102 AT AN INITIAL MONTHLY RATE OF \$1,000.00 INCREASING TO \$1,200.00 PER MONTH IN THE SECOND YEAR OF THE RENEWAL TERM.

2010-02-18-0133

Item 13. AN ORDINANCE APPROVING THE SALE BY THE SAN ANTONIO DEVELOPMENT AGENCY, ALSO KNOWN AS THE URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO, OF 423 DAKOTA, LOCATED IN COUNCIL DISTRICT 2, TO MS. KATHERYN FARIAS FOR A TOTAL SUM OF \$109,000.00.

2010-02-18-0135

Item 15. AN ORDINANCE ACCEPTING AN AMOUNT UP TO \$386,184.60 ANNUALLY FROM THE TRANSPORTATION SECURITY ADMINISTRATION FOR CONTINUED LAW ENFORCEMENT OFFICER SUPPORT AT TERMINAL CHECKPOINTS AT SAN ANTONIO INTERNATIONAL AIRPORT.

Item 16. CONSIDERATION OF THE FOLLOWING ORDINANCES RELATING TO THE COOPERATIVE AGREEMENT WITH THE TRANSPORTATION SECURITY ADMINISTRATION (TSA) FOR THE NATIONAL EXPLOSIVES DETECTION CANINE TEAM PROGRAM GRANT:

2010-02-18-0136

- A. AN ORDINANCE AMENDING THE COOPERATIVE AGREEMENT WITH THE TSA TO INCREASE THE ANNUAL AMOUNT FROM \$250,500.00 TO AN AMOUNT UP TO \$300,500.00 ANNUALLY FOR CONTINUED PARTICIPATION IN THE NATIONAL EXPLOSIVES DETECTION CANINE TEAM PROGRAM, AND LOCATED AT THE SAN ANTONIO INTERNATIONAL AIRPORT.
- B. AN ORDINANCE AUTHORIZING MATCHING FUNDS IN THE AMOUNT OF \$50,000.00 ANNUALLY FROM THE AVIATION FUND OPERATING BUDGET THROUGH MARCH 31, 2013 AS FUNDS ARE AVAILABLE.

*Items 16A and 16B were combined into one Ordinance by the Legal Department, therefore; only one Ordinance number.

2010-02-18-0138

Item 18. AN ORDINANCE AUTHORIZING THE SUBMISSION OF A SUPPLEMENTAL GRANT APPLICATION AND THE ACCEPTANCE OF UP TO \$114,157.00 FROM THE TEXAS AUTOMOBILE THEFT PREVENTION AUTHORITY (ABTPA) FOR THE GRANT YEAR SEPTEMBER 1, 2009 TO AUGUST 31, 2010 AND REVISING THE CURRENT PROGRAM BUDGET FOR A TOTAL BUDGET AMOUNT OF \$1,531,804.00.

Item 19. CONSIDERATION OF THE FOLLOWING BOARD, COMMISSION AND COMMITTEE APPOINTMENTS FOR THE REMAINDER OF UNEXPIRED TERMS OF OFFICE TO EXPIRE MAY 31, 2011, TO BE EFFECTIVE IMMEDIATELY UPON THE RECEIPT OF EIGHT AFFIRMATIVE VOTES, OR, IN THE EVENT EIGHT AFFIRMATIVE VOTES ARE NOT RECEIVED, TEN DAYS AFTER APPOINTMENT; OR FOR TERMS AND EFFECTIVENESS AS OTHERWISE INDICATED BELOW:

- A. REAPPOINTING MARY M. DENNIS (DISTRICT 2) TO THE MAYOR'S COMMISSION ON THE STATUS OF WOMEN.
- B. APPOINTING ANDREW C. CARRILLO II (DISTRICT 1) TO THE SAN ANTONIO YOUTH COMMISSION.
- C. APPOINTING MARK OUTING (DISTRICT 2) TO THE SMALL BUSINESS ADVOCACY COMMITTEE.
- D. APPOINTING CHESTER J. DRASH (SAN ANTONIO ECONOMIC DEVELOPMENT FOUNDATION) AND FRANCINE S. ROMERO (PARKS AND RECREATION ADVISORY BOARD) TO THE CONSERVATION ADVISORY BOARD.
- E. REAPPOINTING ANDREW RICHARDSON, III (DISTRICT 3) TO THE PORT AUTHORITY OF SAN ANTONIO FOR THE REMAINDER OF AN UNEXPIRED TERM OF OFFICE TO EXPIRE NOVEMBER 30, 2011.
- F. APPOINTING THADDEUS G. FERNANDEZ (DISTRICT 3) TO THE AFFIRMATIVE ACTION ADVISORY COMMITTEE.
- G. REAPPOINTING COUNCILMEMBER JOHN G. CLAMP (ELECTED OFFICIAL) TO THE LONE STAR RAIL DISTRICT BOARD OF DIRECTORS FOR THE REMAINDER OF AN UNEXPIRED TERM OF OFFICE TO EXPIRE FEBRUARY 1, 2012.

PULLED FROM THE AGENDA BY STAFF

Item 20. AN ORDINANCE APPROVING THE FISCAL YEAR 2010 ANNUAL AUDIT PLAN.

2010-02-18-0139

Item 21. AN ORDINANCE AUTHORIZING THE USE OF ELECTRONIC SIGNATURES AND ELECTRONIC COMMUNICATIONS BY THE CITY OF SAN ANTONIO THROUGH THE ADOPTION OF RULES CONSISTENT WITH THOSE OF THE TEXAS DEPARTMENT OF INFORMATION RESOURCES.

2010-02-18-0141

Item 23. AN ORDINANCE APPROVING A LOCAL CONTRIBUTION IN THE AMOUNT OF \$32,547.00 TO THE EVENTS TRUST FUND IN ANTICIPATION OF REIMBURSEMENT OF UP TO \$235,970.00 FROM THE TEXAS STATE COMPTROLLER OF PUBLIC ACCOUNTS FOR ELIGIBLE EXPENSES RELATED TO THE 2009 NCAA DIVISION III MEN'S AND WOMEN'S SOCCER CHAMPIONSHIP, AND AUTHORIZING A REIMBURSEMENT AGREEMENT WITH SAN ANTONIO SPORTS FOR REIMBURSEMENT OF EXPENSES TOTALING UP TO \$203,423.00 ASSOCIATED WITH THE STATE REIMBURSEMENT TO THE CITY FOR THE 2009 NCAA DIVISION III MEN'S AND WOMEN'S SOCCER CHAMPIONSHIP, AND AUTHORIZING PAYMENT.

2010-02-18-0142

Item 24. AN ORDINANCE AUTHORIZING AN AGREEMENT WITH THE SAN ANTONIO RIVER AUTHORITY IN AN AMOUNT UP TO \$250,000.00, IN ORDER TO FUND THE MANUFACTURE AND INSTALLATION OF SIGNAGE AND WAYFINDING ALONG THE SAN ANTONIO RIVER WALK FROM LEXINGTON TO S. ALAMO, FUNDED BY HOTEL OCCUPANCY TAXES.

2010-02-18-0144

Item 26. AN ORDINANCE AUTHORIZING AND APPROVING THE ISSUANCE OF APPROXIMATELY \$175,000,000.00 "CITY OF SAN ANTONIO, TEXAS GENERAL IMPROVEMENT REFUNDING BONDS, SERIES 2010"; LEVYING AN AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN ESCROW AGREEMENT, AND A PURCHASE AGREEMENT; DELEGATING AUTHORITY TO AUTHORIZED OFFICIALS TO FINALIZE CERTAIN SALE TERMS RELATING TO THE BONDS; ENACTING ANY OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE.

Item 27. CONSIDERATION OF THE FOLLOWING RESOLUTIONS AS REQUIRED BY THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR DEVELOPMENTS LOCATED WITHIN ONE (1) LINEAR MILE OF AN EXISTING DEVELOPMENT THAT SERVES THE SAME TYPE OF HOUSEHOLD:

2010-02-18-0013R

A. A RESOLUTION ALLOWING THE DEVELOPMENT AND CONSTRUCTION OF THE MONTABELLA SENIOR APARTMENTS TO BE LOCATED IN COUNCIL DISTRICT 2.

2010-02-18-0014R

B. A RESOLUTION ALLOWING THE DEVELOPMENT AND CONSTRUCTION OF THE SAN JUAN SQUARE PHASE III MULTI-FAMILY HOUSING PROJECT TO BE LOCATED IN COUNCIL DISTRICT 5.

2010-02-18-0145

Item 28. AN ORDINANCE ADOPTING THE HISTORIC AND DESIGN REVIEW COMMISSION RULES OF PROCEDURE.

2010-02-18-0015R

Item 29. A RESOLUTION INCORPORATING THE STRATEGIC HISTORIC PRESERVATION PLAN INTO THE CITY OF SAN ANTONIO COMPREHENSIVE PLAN AND DIRECTING THE OFFICE OF HISTORIC PRESERVATION TO MAKE CHANGES TO THE UNIFIED DEVELOPMENT CODE.

2010-02-18-0146

Item 30. AN ORDINANCE AMENDING THE 2010 FEDERAL LEGISLATIVE PROGRAM, 111TH CONGRESS, SECOND SESSION TO INCLUDE THE ENVIRONMENTAL HEALTH AND WELLNESS PROGRAM.

2010-02-18-0148

Item 32. AN ORDINANCE AUTHORIZING AN INTERLOCAL AGREEMENT BETWEEN THE SAN ANTONIO POLICE DEPARTMENT, BEXAR COUNTY CRIMINAL DISTRICT ATTORNEY, TARRANT COUNTY CRIMINAL DISTRICT ATTORNEY, DALLAS POLICE DEPARTMENT, AND THE TEXAS OFFICE OF THE ATTORNEY GENERAL RELATING TO THE PROCEEDS FROM THE SALE OF FORFEITED/SEIZED ASSETS IN THE ACES WIRED INVESTIGATION.

2010-02-18-0149

Item 33. AN ORDINANCE AUTHORIZING AN AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT), AND AUTHORIZING ACCEPTANCE OF REIMBURSEMENT FROM TXDOT FOR ELIGIBLE EXPENDITURES FOR FIVE INTERSECTION IMPROVEMENT PROJECTS LOCATED IN COUNCIL DISTRICTS 6, 7, 9, AND 10.

2010-02-18-0150

Item 34. AN ORDINANCE AUTHORIZING A SETTLEMENT AGREEMENT IN THE LAWSUIT STYLED *IRENE CANALES-JANSSEN, ET AL V. CITY OF SAN ANTONIO, ET AL* FOR THE AMOUNT OF \$62,500.00, AVAILABLE FROM THE SELF-INSURED LIABILITY FUND.

PULLED FROM THE AGENDA BY STAFF

Item 35. AN ORDINANCE AUTHORIZING A SETTLEMENT AGREEMENT IN THE LAWSUIT STYLED *DIANA BORJAS, INDIVIDUALLY AND AS NEXT FRIEND OF FABIAN MENDOZA V. CITY OF SAN ANTONIO* FOR THE AMOUNT OF \$100,000.00, AVAILABLE FROM THE SELF-INSURED LIABILITY FUND.

2010-02-18-0151

Item 36. AN ORDINANCE RATIFYING A CONTRACT WITH LA BOIT, INC. TO PROVIDE THE LABOR, MATERIALS AND EQUIPMENT TO REPAIR THE MOBILE SPAY/NEUTER CLINIC FOR THE ANIMAL CARE SERVICES DEPARTMENT FOR A TOTAL COST OF \$93,586.76.

[CONSENT AGENDA ITEMS CONCLUDED]

ITEMS PULLED FOR INDIVIDUAL CONSIDERATION

The City Clerk read the following Ordinances for Items 9A and 9B:

Item 9. CONSIDERATION OF THE FOLLOWING ORDINANCES RELATING TO FY 2010 STREET MAINTENANCE PROGRAM CONTRACTS:

2010-02-18-0127

A. AN ORDINANCE AWARDED A CONSTRUCTION CONTRACT TO CLARK CONSTRUCTION OF TEXAS, INC. IN THE AMOUNT OF \$4,829,655.56 FOR AUTHORIZED FY 2010 STREET MAINTENANCE PROGRAM ASPHALT OVERLAY PROJECTS LOCATED CITY WIDE.

2010-02-18-0128

B. AN ORDINANCE AWARDED A CONSTRUCTION CONTRACT TO V.K. KNOWLTON CONSTRUCTION & UTILITIES, INC. IN THE AMOUNT OF \$458,695.00 FOR THE WEST MISTLETOE FROM LAKE BOULEVARD TO SAN ANTONIO AVENUE RECONSTRUCTION PROJECT, LOCATED IN COUNCIL DISTRICT 7, AUTHORIZED FROM THE FY 2010 STREET MAINTENANCE PROGRAM.

Councilmember Cortez asked if all FY 2009 Street Maintenance Projects had been completed. Majed Al-Ghafry confirmed that all projects had been completed as of December, 2009. Councilmember Cortez asked of the city's experience with Clark Construction and the timeline factor. Mr. Al-Ghafry stated that Clark Construction had performed very well for the city and that construction had begun on the first package of FY 2010 projects by Zumwalt Construction. Councilmember Rodriguez asked of the process for selecting street projects. Mr. Al-Ghafry replied that they utilized a complete street

perspective to include streets, curbs and sidewalks as they identified opportunities. He noted that they would improve coordination to address streets in close proximity that needed repair and recognized SAWS for their cooperation. Mayor Castro commended Councilmember Rodriguez for his leadership and thanked the Public Works Department for completing work on Babcock Road from Danville to Sunshine Ranch.

Councilmember Cortez moved to adopt the proposed Ordinances for Items 9A and 9B. Councilmember Cisneros seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the following Ordinance for Item 11:

2010-02-18-0130

Item 11. AN ORDINANCE AUTHORIZING THE SECOND AMENDMENT TO A LEASE AGREEMENT FROM THE MEXICAN AMERICAN UNITY COUNCIL, INC., FOR A DECREASE IN THE SQUARE FOOTAGE OF THE LEASE FROM 7,520 TO 6,226 AND A DECREASE IN THE MONTHLY RENT FROM \$9,926.40 TO \$8,218.40 FOR THE DEPARTMENT OF COMMUNITY INITIATIVES OFFICE LOCATED IN COUNCIL DISTRICT 5.

Councilmember Cisneros thanked Andrew Carrillo for agreeing to serve as the District 1 Representative on the San Antonio Youth Commission. She asked of the decrease in lease space at the Mexican American Unity Council (MAUC) Building. Cindy Schoenmakers reported that many of the services being provided by the Department of Community Initiatives Youth Services Division had moved to Municipal Court during the last budget process, therefore; decreased the square footage needed at the MAUC Offices. Councilmember Cisneros stated that it was important to maintain a presence on the West Side of the community and thanked MAUC for their work and partnership. She recognized Juan Patlan, Co-Founder of MAUC, for his work and mentioned that he had passed.

Councilmember Medina asked of the cost savings. Ms. Schoenmakers stated that the City would save over \$1,000 per month and the funds would be utilized for programs. She noted that they had determined that the work that had been provided by Caseworkers would be better provided through Municipal Court. Ms. Sculley added that the transfer of staff to Municipal Court allowed for a higher quality of service and a substantial budget savings to the city.

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

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the following Ordinance for Item 14:

2010-02-18-0134

Item 14. AN ORDINANCE AUTHORIZING A LEASE AGREEMENT WITH THE UNIVERSIDAD NACIONAL AUTÓNOMA DE MÉXICO, UNAM – USA, FOR BUILDING 333 IN HEMISFAIR PARK, FOR A TERM OF EIGHT (8) YEARS AND TWO (2) MONTHS BEGINNING JANUARY 1, 2010.

Mike Sawaya stated that said item would authorize a lease agreement with the Universidad Nacional Autónoma de México (UNAM) for Building 333 in HemisFair Park. He noted that the facility was utilized for continuing education and cultural activities. He mentioned that in return for the lease of the facility, UNAM provided 20 City Employees per semester with Spanish Classes, and 250 hours per year in translation services. Councilmember Cisneros stated that UNAM had occupied that particular building since 1976. She spoke of UNAM's worldwide reputation for excellence and noted that the San Antonio Campus was the first campus to be opened outside of Mexico. She noted that many conferences, foreign guests, and international students had been hosted by UNAM had hosted over the past 30 years and that there were archives of city records citing growth during her husband's tenure. She recognized UNAM and city staff for their work and continued partnership.

Councilmember Cisneros moved to adopt the proposed Ordinance. Councilmember Ramos seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the following Ordinance for Item 17:

2010-02-18-0137

Item 17. AN ORDINANCE AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION AND THE ACCEPTANCE OF UP TO \$1,200,000.00 FROM THE TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) FOR THE COMPREHENSIVE DRIVING WHILE INTOXICATED/SPEED ENFORCEMENT/INTERSECTION CONTROL SELECTIVE TRAFFIC ENFORCEMENT PROGRAM (STEP) FOR THE GRANT PERIOD OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011; AND AUTHORIZING AN IN-KIND MATCH OF \$646,366.00 WITH A CASH MATCH OF \$100,000.00.

Councilmember Cortez asked for information on the grant. Police Chief McManus stated that the grant had been received for nine years and that funds were utilized to enforce Driving While Intoxicated (DWI) and Speeding Laws. Councilmember Cortez asked of the measures regarding the DWI Program. Chief McManus replied that there had been 1,422 arrests made with grant funds and were projecting 1,900 arrests with FY 2011 funding. He noted that the intersections targeted were based on the number of accidents.

Councilmember Cortez moved to adopt the proposed Ordinance. Councilmember Cisneros seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the following Ordinance for Item 22:

2010-02-18-0140

Item. 22. AN ORDINANCE APPROVING A LOCAL CONTRIBUTION IN THE AMOUNT OF \$137,228.00 TO THE EVENTS TRUST FUND IN ANTICIPATION OF REIMBURSEMENT FOR ELIGIBLE EXPENSES RELATED TO THE 2010 STAG PARKWAY BUSINESS SOLUTIONS

TRADESHOW AND THE 2010 NATIONAL CATTLEMEN'S BEEF ASSOCIATION ANNUAL CONVENTION.

Councilmember Cisneros asked of the competitive bid process. Mike Sawaya reported that the State's Major Event Trust Fund Program had been expanded to allow the City to request reimbursement for convention events. He noted that the City identified qualifying events in which the Convention and Visitor's Bureau had bid on and San Antonio was selected as the site to host the event. He explained that they were allowed to recover the costs for hosting obligations and building improvements and that the State had identified \$994,000 in reimbursement funds. He added that they had received \$10-12 million in reimbursement for sporting events to date and had identified \$12-13 million eligible for reimbursement this year related to convention events.

Councilmember Cisneros moved to adopt the proposed Ordinance. Councilmember Cortez seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the following Ordinance for Item 25:

2010-02-18-0143

Item 25. AN ORDINANCE APPROVING FINANCIAL UNDERWRITER SYNDICATES SELECTED FROM THE FINANCIAL UNDERWRITING POOL FOR FINANCINGS OF: (1) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010; (2) MUNICIPAL FACILITIES CORPORATION (ONE STOP) LEASE REVENUE REFUNDING BONDS, SERIES 2010; (3) MUNICIPAL FACILITIES CORPORATION (911 CENTER) LEASE REVENUE BONDS, SERIES 2010; (4) GENERAL OBLIGATION BONDS AND COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION (BUILD AMERICA BONDS), SERIES 2010; AND (5) TAX NOTES, SERIES 2010.

Councilmember Cisneros requested additional information on said item. Ben Gorzell reported that staff was seeking approval of five underwriting syndicates for five different transactions to support the Capital Budget through September, 2010. Councilmember Cisneros asked of the participation of local firms. Mr. Gorzell noted that M.E. Allison & Company and Southwest Capital Markets were local companies and that M.E. Allison & Company was the Senior Underwriter on the Municipal Facilities Corporation Lease Revenue Refunding Bonds and Southwestern Capital Markets would serve as the lead on the Tax Notes, Series 2010 transaction.

Councilmember Ramos asked of the Municipal Facilities Corporation (911 Center) Lease Revenue Bonds. Mr. Gorzell stated that \$20-30 million in bonds would be issued to provide funding for the 911 Dispatch Center located at Brooks City-Base. Councilmember Ramos asked of the selection of the companies. Mr. Gorzell reported that the City had issued an RFP in 2006 and selected 16 investment banking firms to be part of the pool of which two firms were no longer participating. He noted that having a pool would allow the city to put teams together based on the type of transaction and performance on previous bond transactions. He stated that the pool has been extended through September, 2010 and staff will be soliciting new proposals this summer. Councilmember Ramos asked if any of the firms had received bail-out funds from the Federal Government. Mr. Gorzell replied that they would provide that information. Councilmember Chan thanked staff for providing information that she had requested and expressed her support.

Councilmember Cisneros moved to adopt the proposed Ordinance. Councilmember Chan seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** Rodriguez.

The City Clerk read the following Ordinance for Item 31:

2010-02-18-0147

Item 31. AN ORDINANCE AUTHORIZING TWO FUNDING AGREEMENTS WITH EASTSIDE CHRISTIAN ACTION GROUP FOR THE EXPENDITURE OF UP TO \$860,500.00 FOR THE DESIGN AND CONSTRUCTION OF AN OUTDOOR PUBLIC GATHERING VENUE TO BE LOCATED NORTH OF SALADO CREEK IN MARTIN LUTHER KING PARK, A 2007 PARK BOND PROJECT, AND FOR THE CONSTRUCTION, PURCHASE AND INSTALLATION OF ADDITIONAL SPECTATOR SEATING WITHIN THEIR LICENSED PREMISES AT MARTIN LUTHER KING PARK AND THE WHEATLEY HEIGHTS AREA, A CERTIFICATES OF OBLIGATION FUNDED PROJECT, LOCATED IN COUNCIL DISTRICT 2.

Councilmember Taylor highlighted the progress that has been made on the project and stated that she was pleased to move forward with the funding agreement. She spoke of the great collaboration with Bexar County and asked of the timeline for construction. Xavier Urrutia stated that the project was part of the Sportsplex Project funded through the Bexar County Venue Fund and that construction would begin in August, 2010. He noted that the funding agreements would provide enhanced seating for the stadium and incorporate an outdoor public gathering place that has not been designed.

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

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** Rodriguez.

BRIEFING ON THE FY 2011 CONSOLIDATED FUNDING PROCESS FOR HUMAN DEVELOPMENT SERVICES

Mayor Castro reconvened the B Session of February 17, 2010 to discuss Item 2. Peter Zanoni presented the item and stated that in 2005, the City had initiated a two-year funding process for Human and Workforce Development agency services. He noted that they had combined multiple Request for Proposals (RFP) processes with various funding sources into the Consolidated Funding Process (CFP). He explained that CFP funding includes the General Fund, Community Development Block Grant – Public Service, Emergency Shelter Grant, and Housing Opportunities for Persons with Aids and that a single RFP is issued every two years. He stated that for the FY 2011 funding process, there were two options to consider. Option 1 is to postpone issuing the RFP this year and extend the agencies' contract term for one year. Option 2 is to issue the RFP for FY 2011 and FY 2012 to procure human and workforce development services.

He mentioned that the Quality of Life (QOL) City Council Committee had reviewed the options and recommended Option 2. He spoke of the ballot process to determine Council priorities and noted that

the results would be provided at an upcoming budget work session or B Session. Lastly, he presented the FY 2011 Timeline for the CFP RFP.

Councilmember Ramos stated that the QOL City Council Committee had recommended Option 2 so that more agencies could apply for funding. She noted that the funds should be allocated to agencies that perform well and that it was important for the Councilmembers to present their priorities. Councilmember Medina stated that he was in support of an RFP to keep the process competitive and open for additional agencies and services. Councilmember Clamp also expressed support for an RFP process and stated that the agencies that performed well would be favorably considered. He noted that it would be beneficial for agencies to consolidate services where possible. Mayor Castro stated that he was also in support of the RFP and recommended that the ballot categories be more specific in terms of funding.

Councilmember Taylor expressed support for moving forward with an RFP and stated that the city was looking for efficiencies through the purchase of services. Councilmember Williams spoke in support of the RFP and requested that the information on the Detailed Funding Source document be included on the ballot so that the FY 2010 funding amounts and agencies are listed. Councilmember Cortez stated that he was also in support of an RFP and asked of the ballot process. Mr. Zaroni stated that the ballot would allocate Council priorities by category. Councilmember Cortez requested that the City Council strongly consider allocating funds to Senior Services through the Community Safety Net Category.

Councilmember Ramos moved to approve Option 2. Councilmember Taylor seconded the motion.

The motion prevailed by the following vote: **AYES:** Cisneros, Taylor, Ramos, Cortez, Medina, Lopez, Rodriguez, Williams, Chan, Clamp, and Mayor Castro. **NAY:** None. **ABSENT:** None.

Mayor Castro recessed the meeting at 4:45 pm and noted that the meeting would resume at 6:00 pm to address Citizens to be Heard.

CITIZENS TO BE HEARD

Mayor Castro reconvened the meeting at 6:01 pm and called upon the individuals registered to speak.

Dee Villarrubia addressed the City Council and requested a line item Capital Budget from CPS Energy. She asked for the name of the individual that signed the STPC loan application from the Department of Energy and requested the loan amount. She thanked Councilmember Williams for initiating the CPS Energy Special Meetings/Updates and mentioned the improved communication and transparency from CPS Energy.

Travis Mendiola expressed concern with the actions of several San Antonio Police Officers and stated that he was an innocent man. He noted that he was falsely condemned and that he had lost his State Master's Air Conditioner License due to his arrest. He mentioned that he and his wife now lived in fear of the Police and that he had requested to file a complaint and was given the wrong form. He spoke on behalf of his wife, Brenda Mendiola, and stated that Police Officers had raided their home on the day that Ms. Mendiola was released from the hospital. He mentioned that they had been treated like criminals and expressed concern that he had been forced to sit in the back of a Police Car in handcuffs without access to his medication. He added that his son had witnessed the events but was in the Military and no longer in San Antonio to testify on their behalf.

Mark Kellman stated that he was an architect and had studied the area around the Pearl Brewery in 1996. He mentioned that he had provided a copy of his design for a Pearl Brewery Transit Terminal at last week's Citizens to be Heard and presented a map of the Inner-City Rail Streetcar North-South Streetcar Alignment by VIA Metropolitan. He mentioned that it was his intention for street cars, river barges, taxis, and collector buses to be housed in one building.

Steve Douglas of Douglas Brothers Towing stated that he had performed towing services for Assured Towing and had not received payment. He expressed concern that he had almost lost his business and had given up his regular tows to provide services for the city.

Pasha Kermani stated that he was part owner of Allied Towing and had taken over the city contract in December, 2008. He noted that they had invested over \$800,000 in equipment to comply with city contract requirements and expressed concern that Texas Towing was leasing equipment to other companies but could not perform at the required level. He asked that the City Council look into the matter.

Mark Perez spoke of the CPS Energy plant at Calaveras Lake and the environmental concerns. He expressed concern with the staff at the Planning and Development Services Department and noted that he had not received responses to his request for information. He spoke of the dangerous chemicals being stored in the community including Tetco and the Kimberly Clark Facility located at 4702 Goldfield.

Former Councilmember Maria Berriozabal expressed concern that citizens had not received a line item budget from CPS Energy and noted that she had requested the information from the City Council and had not received a response. She stated that she had requested a copy of the 11-page document that had been provided to the City Council. She was informed that she was required to submit an Open Records Request in order to receive the information. She noted that it was a public document and that Mayor Castro had asked that the document be placed on the website.

Nick Calzoncit stated that he had helped form the San Antonio Police Officers Union and expressed concern that he had recently been harassed by Police Officers. He noted that he had attempted to file a complaint with the Union and had been threatened. He spoke of an incident in which an individual holding a peace sign had been beaten by a Police Officer and the negative impact that such actions had on the city.

Damon Mason expressed concern with the traffic signals and the congestion that they cause. He provided various locations in which the traffic signals did not function properly and stated that IH-35 should have more than three lanes in each direction.

Faris Hodge, Jr. expressed concern with the harassment of citizens by San Antonio Police Officers. He spoke against the CPS Energy rate increases that were approved earlier and requested that there be Citizens to be Heard at CPS Energy Board Meetings. He expressed concern with the lease between the City and San Antonio Fighting Back in the amount of one dollar per year. He spoke in opposition to nuclear energy and asked of the status of Lucky the Elephant. He expressed concern with the furnace at City Hall and requested that the gas unit be replaced due to safety concerns. He stated that he had not received a response to his concerns regarding the gas furnace by the security and staff at City Hall. He added that he would be writing a letter to express concern that City Hall was closed on a holiday and he could not access the City Council Agenda.

Karen Hadden stated that she was pleased that the line item budget for CPS Energy would be placed on their website. She expressed concern that she had requested the information for three weeks and was not aware that the document existed. She noted that it was not unreasonable for ratepayers to request detailed information on how the rate increases would be utilized. She requested that the City Council increase their oversight of CPS Energy.

Raymond Zavala expressed concern with the CPS Energy rate increase and requested that the CPS Energy bylaws be revised to ensure more accountability. He asked of the Planning and Development Services Department and the retaining wall that failed at the Hills of Rivermist Development. He expressed concern with political signage that had not been removed.

Charles Cervantes, Elsa Gonzalez and Janet Ahmad representing the Hills of Rivermist addressed the City Council. Mr. Cervantes stated that he lived in the subdivision and had previously expressed concern that homes continued to be built within the subdivision prior to a resolution of the current issues. He compared photos of the area in January, 1995, December, 2003, and January, 2008 and noted the erosion and visible changes. He spoke of the issue of seam slippage and noted that a new retaining wall would not remedy the problem. He requested that Pulte/Centex buy the homes back from the owners and tear down the manmade cliff. He invited the Council to tour the area. Ms. Gonzalez stated that they had trusted Pulte/Centex and no longer felt safe living in their homes. She requested the city's help to encourage Pulte/Centex to buy the homes back from the owners. Ms. Ahmad encouraged the Council to take a bus tour of the area and meet with the homeowners.

ADJOURNMENT

There being no further discussion, Mayor Castro adjourned the meeting at 6:53 pm.

APPROVED



**JULIAN CASTRO
MAYOR**

Attest:



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