

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

**A BUDGET WORK SESSION OF THE CITY COUNCIL OF THE CITY OF SAN ANTONIO  
WAS HELD IN THE MUNICIPAL PLAZA BUILDING, TUESDAY, SEPTEMBER 13, 2011.**

The San Antonio City Council convened in a Budget Work Session at 2:00 pm Tuesday, **September 13, 2011**, Municipal Plaza Building, with the following Councilmembers present: Bernal, Taylor, Ramos, Saldaña, Lopez, C. Medina, Williams, Chan, and Soules. **ABSENT:** D. Medina and Mayor Castro.

**1. STAFF PRESENTATION ON THE FY 2012 PROPOSED BUDGET FOCUSING ON,  
BUT NOT LIMITED TO, THE FOLLOWING:**

**A. ARTS FUNDING**

**Office of Cultural Affairs**

Mr. Felix Padrón provided the Council with funding and personnel allocations by Fund authorized by the FY 2012 Proposed Budget for the Department. He noted that the majority of funding supported Art Agencies in the amount of \$5,255,477. Mr. Padrón commented that the Proposed Cultural Affairs Office (CAO) Budget continued the City's commitment to strengthen its support for arts organizations while improving the quality of life for San Antonio residents and visitors.

**Arts Agencies Funding**

Mr. Padrón noted that the FY 2012 Budget maintained funding levels at the maximum 15% of Hotel Occupancy Tax (HOT) Collections allowed by State Law. Due to an increase in HOT Revenue, the funding available for contributions to Arts & Cultural Agencies totaled \$151,357 more in FY 2012 than in FY 2011.

It was noted that FY 2012 was the first year of a new two-year funding cycle for Art Agencies. The arts funding review process began in March and will end in September. There are four different panels that review proposals and each panel is comprised of seven members who score applications individually using Council-approved guidelines. Following the scoring process, staff makes a recommendation to the Cultural Arts Board (CAB) in early August. The CAB approved a final recommendation on Tuesday, September 6, 2011 and this recommendation will be presented to the City Council on September 13, 2011. The final funding recommendation for the Arts Agencies will be considered as part of the FY 2012 Budget Adoption scheduled for September 15, 2011.

Councilmember Chan thanked Mr. Padrón and his staff for working with the International Affairs Office on the Sister City Initiative. She asked of the six public art positions that are funded by and work for CIMS. Mr. Padrón provided reasoning for CIMS funding the positions and noted that said staff members would not be moved to CAO. He noted that CIMS art staff coordinate with Project Managers and CAO to integrate the art component into Projects. Duties include but are not limited to providing technical assistance, selecting artists, and securing art work.

Lastly, Councilmember Chan asked of the funding allocations made to City Owned Facility Agencies (COFA). Mr. Padrón noted the amount of funds allocated to COFAs and referenced the eight agencies that operate out of City-owned facilities.

Councilmember Williams requested additional information regarding Funding Appeals submitted. Mr. Padrón noted that three appeals were submitted; however, only one met the appeals criteria. Councilmember Williams spoke on the CAO Funding the Museo Alameda and voiced his concern with the funding process not being a fair process.

Councilmember Bernal asked how Arts Programs like Luminaria were funded. Mr. Padrón responded that some art programs were paid from the Department Administrative Budget. He elaborated on the types of services provided via the Economic and Technical Assistance Program and Community Artist Access Program and their funding allocations.

At the request of Councilmember C. Medina, Mr. Padrón stated that the Network for Young Artists was not considered for funding because they did not have a full-time Executive Director. It was noted that the CAO would work with the group. In regards to funding of the San Antonio Playhouse, Mr. Padrón noted that the City funded the organization in amount totaling \$137,000. Councilmember C. Medina requested a list of performances, funding allocations, and Board of Directors for said organization. City Manager Sculley commented that the City does not play a role in selecting performances. She noted that the City funded the organization not individual performances.

Regarding the San Antonio Playhouse, Councilmember Lopez asked if there was a rating system for performances. Mr. Padrón noted that contractually, the organization was required to put up disclaimers denoting age appropriateness of performances.

## **E. Potential FY 2012 Budget Amendments**

### **Employee Benefits**

Ms. Sculley noted that the City would be hearing amendments to the Employee Compensation package at this time.

Ms. Flor Garcia stated that the City had been collaborating with several interested parties over the last several weeks to improve the overall FY 2012 Employee Compensation Package. She provided a general overview of the Employee Compensation Package. It was noted that 93% of employees would see a net positive in gross salary with the balance of employees having options for achieving a net positive in gross salary based on Healthcare Plan selected. Ms. Garcia provided examples of how a positive net gross salary could be achieved. She noted that with the use of the Benefits Cost Estimator, employees could determine the best Healthcare Plan.

At this time, Ms. Garcia presented the amendments to the Healthcare Benefits Package.

Amendment on Spousal Surcharge: The recommendation was to eliminate the proposed \$50 monthly spousal surcharge for FY 2012. Ms. Garcia noted that the City would utilize the Open Enrollment period to obtain data on the number of spouses covered that have employer sponsored health insurance coverage and planned on collaborating with the Employee Management Committee to evaluate other options for reducing healthcare costs.

Amendment on Prescription Drug Program: The recommendation was to not penalize individuals if a generic equivalent drug was not available. Ms. Garcia highlighted the Prescription Drug Program and noted that individuals would be charged based on the Drug Tier System. She stated that the overall City goal was to achieve an 80/20 split in Healthcare costs. It was clarified that new employees did not subsidize tenured employees as Healthcare Plans were separate. Ms. Garcia stated that the Healthcare Plan structure would be re-evaluated in the future to provide a one-option Healthcare Plan.

At this time Ms. Garcia highlighted the Healthcare Plan options available. Ms. Sculley explained that Healthcare coverage was the same for all three Plans and that the difference was in deductibles and premiums paid by employees. Examples of how health status plays a role in determining the best Plan for an employee was provided. Lastly, Ms. Garcia spoke to the importance of using the Cost Estimator Tool in determining the best Healthcare Plan. She highlighted the features of the Tool.

Councilmember Bernal expressed his satisfaction in the amendments presented today for Employee Benefits.

Councilmember C. Medina asked for additional information regarding the 7% of employees that currently do not receive a net positive gross salary. Ms. Garcia responded that the City would be working with the employees to determine the best Healthcare Plan option for them so that they could receive a net positive gross salary. Ms. Sculley clarified that most of the employees in this group were Professionals and Managers and that the City could not determine if the employee would be net positive until Performance Pay was taken into consideration. She noted that the City had three employees making living wage that selected the Premier Plan. Ms. Sculley explained that after using the Cost Estimator Tool, the employees were considering selecting a different Healthcare Plan.

City Councilmember Ramos thanked City Management and staff for taking into consideration all concerns. Ms. Sculley noted that the COLA would be effective October 1, 2011 with Performance effective January 1, 2012. Councilmember Ramos requested that the City Manager assess the feasibility of having one Healthcare Plan option for all employees next fiscal year.

Councilmember Williams voiced his concern with the City eliminating the proposed spousal surcharge of \$50 per month for FY 2012.

In regard to the Prescription Drug Program, Councilmember Lopez asked how the City would handle "non-generic" by medical orders. Ms. Sculley stated that the City would work with the employees. Lastly, he thanked members of SEIU for participating in the dialogue.

## **C. ADMINISTRATIVE BUDGET SUMMARY**

### **Municipal Court**

Municipal Court Presiding Judge John Bull noted that the Department had implemented a Video Court Program in FY 2011 and was planning to implement a Pilot Program in FY 2012 which allowed for Municipal Court fines to be paid electronically. He commented that the City would be the first in the United States to allow Court payments to be made using a Kiosk. Judge Bull highlighted Kiosk features and noted that the target date for implementation was January 2012. He stated that three Kiosks would be placed at various locations throughout the City and that five units would be available at Municipal

Court for use by Judges on a rotational basis. As it relates to funding of the Pilot Program, Judge Bull stated that implementation costs would be funded via Technology companies with the Department paying the balance. He noted that current staff levels would not be impacted as customers would still have the option to visit Municipal Court to pay fines.

Municipal Court Clerk Fred Garcia, Jr. spoke on several other Departmental Improvements proposed for FY 2012. Mr. Garcia began by highlighting the License Plate Recognition Software Program that was originally implemented in May 2011 by the City Marshals. He provided an overview of the Software's features and highlighted the Department's success rate in apprehending individuals with out-standing warrants. Mr. Garcia noted that Municipal Court was proposing to purchase three additional units in FY 2012. The second Improvement highlighted was the Parking Enforcement Pilot Program. It was noted that the goal of the Program was to enforce parking regulations outside of the Downtown Area. He requested four additional Temporary Employees to assist with the implementation of the Program.

Councilmember Chan spoke to the importance of enforcing City ordinances and thanked Municipal Court Staff for utilizing technology to improve services. She asked Mr. Garcia to expand on the Temporary Employee Request for the Parking Enforcement Pilot Program. Mr. Garcia responded that the intent was to deploy four Temporary Enforcement Officers six days a week for approximately 6 months. He noted that the Program would be evaluated to determine its success. At the request of Councilmember Chan, options for paying Municipal Court fines were highlighted.

Councilmember Soules asked for more information regarding revenues to be collected. Ms. Sculley stated that the City was anticipating that the Pilot Program would be revenue neutral and that the City was planning to evaluate the Program after 6-months. As for revenues collected, it was clarified that funds would be deposited into the General Fund.

Councilmember Williams spoke of a similar Parking Enforcement Program being implemented by the Police Department and expressed his concern with Municipal Court utilizing temporary workers when Police Department utilized volunteers. Ms. Sculley stated that that Municipal Court would collaborate with the Police Department on the Program's implementation.

Councilmember Bernal asked for more information regarding the License Plate Recognition Software Program. An overview of how the Software was used by the Municipal Court was provided. It was noted that the technology utilized was the same as that used by the Police Department, but that the Court used the Software for different reasons.

## **B. Downtown Operations/Parking**

Ms. Paula Stallcup, Director of Downtown Operations, noted that the Department was responsible for providing centralized services for the downtown area including maintenance and landscaping of the historic River Walk, La Villita, HemisFair Park other downtown parks, as well as contract management for downtown vendors and leases at La Villita.

In regard to FY 2011 Accomplishments, it was noted that the Department had undertaken several Initiatives with the intent to promote tourism while encouraging health and safety. Ms. Stallcup highlighted the implementation of a Smart Phone-based walking tour, installation of an Interpretive and Guest Service Signage Program, implementation of a Pilot Recycling Program, and completed Capital Improvement Projects at Market Square. It was noted that the Recycling Program was a partnership

between the City and the Public Improvement District and collected 6,754 pounds of recycled materials between January and August 2011. Ms. Stallcup commented that the Recycling Program would be expanded to the River Walk in FY 2012.

Ms. Stallcup provided the Council with funding and personnel allocations by Fund authorized for the FY 2012 Proposed Budget. In the area of FY 2012 Efficiencies, it was noted that the Department was proposing to enter into an agreement with the Hyatt Hotel for River Walk Maintenance. Ms. Stallcup provided the Council with details of the agreement. Other efficiencies highlighted were realigning departmental staff duties to include Maintenance of River Walk fountains and eliminating one vacant Contract Coordinator position.

At this the time, Ms. Stallcup highlighted the FY 2012 Parking Fund and Market Square Fund to include oversight, expenditures, and revenues generated. She noted that the Department was proposing to increase parking rates by 6% and that said increase was consistent with the 2008 Parking Master Plan. Ms. Stallcup stated that after FY 2012, parking rates would increase every other year and that the intent of rate increases was to align rates with market rates and to assess capacity for parking facilities. Ms. Stallcup highlighted rates to be charged at the various City Parking facilities in FY 2012.

Councilmember Chan asked for more clarification on Parking Revenues expected to be generated in FY 2012. Ms. Stallcup commented that revenues would be deposited in the Department's Enterprise Fund. Ms. Sculley explained that the proposed rate increase of 6% was a direct result of the 2008 Parking Master Plan. She detailed the intent of the Plan and reason for making the Department an Enterprise Fund.

Councilmember Chan spoke to the importance of attracting individual's downtown. However, voiced her concern with increasing parking rates. Deputy City Manager Pat DiGiovanni explained that revenue requirements and improvements were aligned with the Parking Study conducted. He noted that Downtown had been identified as having an abundance of parking.

Mr. Ben Gorzell provided a general overview of the Parking Study and Parking Master Plan and spoke to the debt created when a new facility was built. It was noted that the overall Parking Fund debt totaled \$16 million. Mr. Gorzell spoke on how the City managed the debt and assessed the implementation of parking rate increases. Councilmember Chan requested to meet with staff regarding said topic before the passage of the FY 2012 Budget.

### **C. ADMINISTRATIVE BUDGET SUMMARY (Continued)**

Ms. Maria Villagómez, Director of Office of Management and Budget (OMB), provided an overview of the Budgets for Administrative Departments. She noted that for FY 2012, the City was proposing to create a new Department which combined the functions of Fleet Operations, Facilities Maintenance, Real Estate Leasing, and Property Disposition. The new Department would allow the City to centralize and improve management of City-owned assets. In regard to City-wide Efficiencies, Ms. Villagómez highlighted various methods utilized to identify \$6.9 million in savings for FY 2012. She noted that since FY 2010, the Reform Team had identified \$14.3 million in savings through the implementation of efficiencies.

In FY 2011, OMB was tasked with conducting a Facilities Analysis. Through said study, it was determined that the City owned 657 facilities offering various services. To better serve the community

in FY 2012, OMB identified methods for improving upon space utilization, the need to transition out of leased office space, as well as methods for consolidating and co-locating facilities. Ms. Villagómez highlighted steps to be undertaken in Phase I to reduce the City's property inventory by 26 and save the City \$670,000. Another Efficiency identified was the consolidation of Departments. It was stated that the intent was to improve service while reducing administrative costs. As it relates to the Shared Services Program, it was noted that the City would continue to centralize administrative functions in Human Resources, Time Administration, Information Technology, and Fiscal Services. Ms. Villagómez noted that with the continuation of the Shared Services Program, the City would have a net reduction of 27 positions and save the City \$270,000 in FY 2012 and \$580,000 in FY 2013.

In FY 2011, OMB also completed an in depth review of Information Technology duties. Ms. Villagómez stated that the intent of said review was to focus on efficiencies resulting from investing in technology. As result of the review, it was determined that the City could save \$3.6 million by implementing the various OMB recommendations. Another in depth review was conducted in the Fleet Maintenance Division. Ms. Villagómez provided an overview of the findings and noted that OMB had identified \$1.9 million in cost savings by better managing the utilization of equipment and vehicles while also accelerating the replacement schedule for heavy equipment.

Councilmember Lopez spoke to the replacement of trucks and vehicle parts. Assistant City Manager Sharon De La Garza explained the process by which parts and vehicles would be replaced.

Councilmember Chan asked for clarification on the newly created Building and Equipment Services Department. Ms. Sculley reported same to the Council on August 11, 2011. She clarified that the intent of the department was to focus on deferred building maintenance.

Councilmember Chan spoke of the Shared Services Program and the associated transitioning of positions. Mr. Ben Gorzell explained the process to be utilized and noted that it would be conducted over three phases with completion in December 2011. He highlighted the benefits of ensuring that the right person was in the right job. Ms. Sculley noted that the intent of the Shared Services Program was to eliminate redundancies.

#### **E. Potential FY 2012 Budget Amendments (Continued)**

Ms. Sculley provided an overview the proposed FY 2012 Amendments. She noted that since her presentation on August 11, 2011, the City's projected Sales Tax Revenues were short by \$1 million; but would be off-set with CPS Energy Revenues which were more than projected.

Councilmember Williams requested additional information regarding Haven for Hope funding. Assistant City Manager Peter Zanoni detailed the organization's funding allocation. Councilmember Williams requested that funding allocations be divided into two line items. In regards to Project Quest, Councilmember Williams stated that the organization should have a 50/50 funding match in order for it to better serve participants and the community. Ms. Sculley noted that other agencies already have a 50/50 match and that a Task Force was reviewing Project Quest's Business Model. She noted that an audit was also being conducted. It was noted that FY 2012 Budget Amendments could still be offered.

Councilmember Bernal asked of the funding increase for Haven for Hope. Ms. Villagómez confirmed that the FY 2012 Budget would be balanced even with the \$1 million increase in funding. In regards to

the increase in Administrative Assistant Support Budget, it was noted that each Council Office would receive an additional \$15,000 for Administrative Aide salaries.

Councilmember Taylor spoke in agreement with Councilmember Williams imposing a 50/50 funding match for Project Quest. She stated that for FY 2012, she supported the recommended funding match of 35/65 and noted that Project Quest would be able to better serve the community in the future with proposed administrative changes. Councilmember Taylor highlighted the Wheatley Heights Sports Complex and requested that the City identify a specific funding amount.

Councilmember Chan also spoke in support of requiring a 50/50 funding match for Project Quest. She asked of the process for making Budget Amendments. Ms. Sculley clarified the process for incorporating Budget items and noted that in some instances Councilmembers individually approached her while in others the Council collectively suggested the Amendment. She detailed how the City would identify money for funding the Amendments. In regards to allocating funds for the Restoration of the property on Guadalupe, Mr. Zanoni stated that the Restoration and Rehabilitation Policy was approved but not the funding. Councilmember Chan requested that City staff explain funding allocations when presenting items.

Councilmember Soules spoke to the City allowing Project Quest to carry-forward funds totaling \$600,000. Ms. Sculley explained that the organization was required to seek reimbursement after spending funds and that the organization had not submitted all requests for reimbursement.

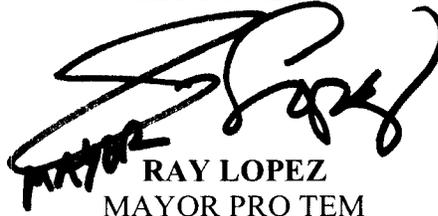
Councilmember Saldaña asked that the City identify a specific amount to be allocated to Morgan's Wonderland. Ms. De La Garza stated that funds would be utilized for property maintenance and programming costs. Councilmember Saldaña asked to be provided a copy of the organization's Business Plan. Ms. De La Garza noted that the City was anticipating delivery of a Business Plan by Mr. Gordon Hartman. Ms. Sculley noted that Mr. Hartman had previously stated that he would not be requesting funding for programming. However, circumstances have changed.

Councilmember Soules asked that funding restrictions be placed on Morgan's Wonderland. Ms. Sculley stated that even if the City did not receive a Business Plan by the time the FY 2012 Budget was passed, the City would ensure that restrictions were denoted in the contract for funding.

## ADJOURNMENT

There being no further discussion, Mayor Pro Tem Lopez adjourned the meeting at 4:51 pm.

APPROVED



RAY LOPEZ  
MAYOR PRO TEM

Attest:



LENICIA M. VACEK, TRMC/CMC  
City Clerk