

**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, WEDNESDAY, AUGUST 21, 2013,  
AND THURSDAY, AUGUST 22, 2013.**

The San Antonio City Council convened in a Budget Work Session at 2:00 pm Wednesday, **August 21, 2013**, Municipal Plaza Building, with the following Councilmembers present: Bernal, Taylor, Viagran, Saldaña, Gonzales, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **ABSENT:** Lopez.

**1. STAFF PRESENTATION ON THE FY 2014 PROPOSED BUDGET FOCUSING  
ON, BUT NOT LIMITED TO, THE FOLLOWING CITY DEPARTMENTS:**

- A. HEALTH**
- B. EMPLOYEE BENEFITS**

Item B was addressed first.

Ben Gorzell presented the FY 2014 Proposed Budget for Human Resources and Employee Total Compensation. He provided an overview of the Human Resources Department noting that their vision was to position the City as an Employer of Choice. He presented Employee Demographics from FY 2007 to present to include Gender, Ethnicity, Age, and Average Years of Service. He reported that the city would spend over \$257 million in FY 2013 for Uniform and Civilian Pension, Healthcare, and Other Benefits. He indicated that the Cost Sharing Goal for Healthcare is 80% City and 20% for employees hired before January 2009 and 70% City and 30% for employees hired after January 2009. He mentioned that the Uniform Employee Pay Increases were defined under Collective Bargaining Agreements. He indicated that Healthcare Costs had increased in FY 2013 and were projected to increase in FY 2014. He stated that there would be an increase in Civilian Employee Contributions to Health Care Costs for FY 2014. He indicated that they would continue to promote wellness and health incentives.

Mr. Gorzell outlined the Employee Health Benefits in which 25,870 Individuals were insured by the City of San Antonio. He reported that Uniform Health Benefits had increased from \$27 million in FY 2007 to \$50 million projected for FY 2014. He provided an overview of the difference in Healthcare Costs between Uniform and Civilian Employees noting that Uniform Employees did not pay any premiums. He outlined the Current Healthcare Plan Design and presented a Peer City Comparison for Uniform Employee City Costs. He spoke of the Affordable Care Act that has impacted the city by \$5.3 million since implemented in 2010. He reported that there would not be a change to Uniform Employee Healthcare Plans for FY 2014 as governed by the Collective Bargaining Agreements. He reported that Civilian Employees would transition from four Healthcare Plans to three Healthcare Plans in FY 2014 and outlined Civilian Healthcare Premiums by Plan. He indicated that Retiree Benefits would include a 1.2% Cost of Living Adjustment as allowed by the Texas Municipal Retirement System. He added that open enrollment would occur from October 14, 2013 through November 8, 2013.

Mr. Gorzell stated that they had increased participation in Employee Wellness Participation in FY 2013. He spoke of the Chicago Wellness Challenge funded by a grant from the American Beverage Association in which the city could receive between \$2 million and \$3 million. He noted that they would continue efforts to target Obesity which was the highest Medical Claims Cost Driver. He provided an overview of the Civilian Compensations from 2008 to present noting that an average of 3% Performance Pay was included for Professionals, Managers and Executives in FY 2014. He reported that the implementation of the Civilian Step Pay Plan was completed in FY 2013. He indicated that ongoing maintenance for 4,079 Step Pay Plan Employees would continue in FY 2014 with January 1<sup>st</sup> introduced as the common date for future Step Increases. He stated that \$24.7 million would be utilized for Employee Compensation Increases in FY 2014 which includes \$17.9 million for Police and Fire Collective Bargaining Increases.

Councilmember Nirenberg asked of the city contribution to Civilian Claims. Mr. Gorzell explained that the blue portion of the graph represented the city contribution and the green portion was the employee contribution. Councilmember Nirenberg asked if there had been any indexing of premiums for Civilians. Mr. Gorzell replied that they had not looked at indexing but premiums were recalculated based on previous year experience. Councilmember Nirenberg asked of forecasting medical costs for FY 2015. Mrs. Sculley noted that they projected medical inflation of 7%. Maria Villagomez added that they were utilizing a 7% medical inflation for the 5-Year Forecast and 5% thereafter. Councilmember Nirenberg asked of the Step Pay Plan. Mr. Gorzell replied that it was in the final phase of implementation and would be adding a performance element to it in the future.

Councilmember Saldaña asked of the Civilian Increases on premiums. Mr. Gorzell explained the health plans and associated premiums noting that most Civilian Employees have the Standard and Value Plans. He stated that they adjusted the design based on peer cities and also worked with United Health Care (UHC). Mrs. Sculley spoke of the increased number and cost of claims. She indicated that the cost share was 87% city responsibility and 13% employee responsibility. Councilmember Saldaña expressed concern with employees not receiving medical services under the Consumer Driven Health Plan (CDHP). Mr. Gorzell stated that the CDHP encourages consumerism and using better options such as utilizing a Medical Clinic instead of the Emergency Room. Ms. Tiffany Parker of UHC provided statistics regarding preventive care and medications that employees on the CDHP receive. She stated that those employees perform more research and seek wellness incentives. Councilmember Saldaña asked of the \$17.9 million increase in FY 2013 for Uniform Employees. Mr. Gorzell replied that it would be used for wages and other compensation. Councilmember Saldaña spoke of the important work that would be required of the Legacy Cost Task Force.

Councilmember Viagran asked how many of the 11,355 City Positions were Temporary Employees. Mrs. Sculley replied that there were no Temporary Employees included in that number but some may be Part-Time Employees. Councilmember Viagran requested a break-down of employees by Gender and Ethnicity by Department. She asked if employees were involved in the design of Healthcare Plans. Mr. Gorzell responded that the Employee Management Committee (EMC) reviews same throughout the year. He stated that they had not had many conversations with the EMC this year due to timing. Councilmember Viagran requested the number of employees of the Peer Cities listed on Slide 21 of the presentation. She asked if there was any loss of benefits for the new Healthcare Plan Designs. Mr. Gorzell replied that employees would receive the same level of benefits. Councilmember Viagran asked of Performance Pay. Mrs. Sculley replied that there were 2,000 employees eligible for Performance Pay and it would be based on the evaluation conducted by their Supervisor.

Councilmember Viagran stated that she was concerned with everyone getting their fair share and believed that the City of San Antonio should set a good example for other companies and cities.

Councilmember Chan asked of the Standard Plan and the CDHP. Mr. Gorzell replied that they were two different plans and that the Standard Plan would be combined with the Value Plan in FY 2014. He reported that currently, there were 3,100 employees on the Value Plan and 2,150 employees on the Standard Plan. He confirmed that the highest impact in FY 2014 would be to the employees on the Value Plan. Councilmember Chan stated that overall; the city's benefits were much less expensive than the private sector. She noted the importance of educating employees on their options.

Councilmember Taylor stated that she looked forward to discussions regarding the Legacy Task Force and addressing Uniform Benefits. She asked why Performance Pay was recommended but a Cost of Living Adjustment (COLA) was not. Mrs. Sculley replied that the Step Plan Employees would be receiving an automatic 3% increase while Professional Employees would not. She added that they would like to implement a Performance-Based Increase for Step Plan Employees instead of an automatic increase. Councilmember Taylor asked of the future of COLAs. Mrs. Sculley replied that she was not sure but believed that City Employee Salaries were now competitive. Councilmember Taylor asked of the Performance Evaluations. Mrs. Sculley stated that they were used to reward high performers and would be conducted by Supervisors.

Councilmember Bernal asked of the Legal Insurance provided for Uniform Employees. Mr. Gorzell replied that Uniform Employees could pay into a Pre-Paid Legal Plan that would allow legal services for personal items such as a Will or Trust. Erik Walsh added that they spend \$5.8 million per year on Legal, Optical and Dental Insurance. Councilmember Bernal requested a list of Legal Services and Usage for Uniform Employees. He noted that there were issues with the CDHP and asked that staff be careful on their delivery regarding benefits.

Mayor Castro thanked staff for the presentation and stated that the Legacy Task Force will review many of the issues discussed. He requested that Salary Comparisons be included in the Peer City Comparison Data.

## **A. HEALTH**

Dr. Thomas Schlenker presented the FY 2014 Proposed Budget for the Metro Health District. He spoke of the 1115 Medicaid Waiver Program in which the City of San Antonio received a total award of \$42.6 million over five years. He noted that the six Prevention Strategies for the Grant would include: 1) Teen Pregnancy Prevention; 2) Neighborhood Health; 3) Community Based Diabetes Prevention; 4) School-Based Oral Health; 5) HIV and Syphilis Prevention; and 6) Baby Café Breastfeeding Promotion. He highlighted Departmental Accomplishments that include decreasing Obesity from 35.1% to 28.5% and the positive Change in BMI Distribution.

Dr. Schlenker reported that teen births continue to decline and the goal for 2015 is to reduce the Teen Birth Rate in Bexar County by 15%. He stated that Syphilis continues to rise and the 2015 Goal is to reduce Congenital Syphilis by 50%. He noted that their focus on Neighborhood Health would increase and estimated actively engaging 10 neighborhoods on Community Asset Mapping and Action Plans by 2015. He added that they would promote active living and their 2015 Goal was to reduce Bexar County Physical Inactivity by 10%.

Dr. Schlenker outlined the FY 2014 Health Department Budget noting that the 32% increase was due to grants received. He provided the Department Budget History from FY 2006 to present and stated that funds and positions from the General Fund had greatly decreased. He highlighted FY 2014 Efficiencies that include the reduction of four Clinical and Maintenance Staff, consolidation of Immunization Services to the Frank Garrett Center, and elimination of four Food Inspector Supervisors. He spoke of the FY 2014 Proposed Enhancements in which they would implement an Air Pollution Program to include adding one Health Program Manager to oversee the program. He stated that they would add one Administrative Assistant to provide support for the Sexually Transmitted Disease (STD) Clinics. He added that they were proposing to implement a Rabies Fee for the Veterinarian Clinics outside of the city limits. He concluded by noting that they would continue to provide leadership and services for San Antonio to prevent illness and injury, promote healthy behaviors, and protect against health hazards.

Mayor Castro stated that he was pleased with the efforts on Obesity and Teen Pregnancy. He asked if the percentage of Immunizations was being tracked. Dr. Schlenker replied that they were tracking to ensure that children were up-to-date on their vaccines and reported that 87% of two-year-olds were current on their shots. Mayor Castro stated that he would like to ensure that the Mayor's Fitness Council was adequately staffed and that this was a very high priority. He requested the names of dedicated staff for 2011, 2012, and 2013. Gloria Hurtado stated that the CDC Employee assigned to the Mayor's Fitness Council was Christina Dahlstrom. Ms. Hurtado indicated that the CDC Funding would no longer be available but the City's Health Department included a Full-Time Position and they hoped Ms. Dahlstrom would apply for the position.

Councilmember Gonzales asked how the City of San Antonio qualified for the 1115 Medicaid Waiver Program. Dr. Schlenker replied that staff had put together a proposal and expected to receive \$42.6 million over the next five years. He stated that the Six Prevention Strategies were identified as the areas of highest need for San Antonio. Councilmember Gonzales stated that she was pleased with the decrease in Obesity and Teen Pregnancy. Dr. Schlenker stated that they would be adding Pregnancy Prevention Programs in Edgewood and San Antonio Independent School Districts but there were other partners providing programs in various areas of the city. Councilmember Gonzales highlighted the Collins Garden Pilot for the Built Environment Strategic Priority and stated that she had been pleased to participate.

Mayor Castro thanked staff for the presentation.

## **ADJOURNMENT**

There being no further discussion, Mayor Castro adjourned the meeting at 5:07 pm.

The San Antonio City Council convened in a Budget Work Session at 9:00 am Thursday, **August 22, 2013**, Municipal Plaza Building, with the following Councilmembers present: Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Chan, Soules, and Mayor Castro. **ABSENT: None.**

### **1. STAFF PRESENTATION ON THE FY 2014 PROPOSED BUDGET FOCUSING ON, BUT NOT LIMITED TO, THE FOLLOWING CITY DEPARTMENTS:**

**A. ECONOMIC DEVELOPMENT**  
**B. CENTER CITY DEVELOPMENT OFFICE**  
**C. PLANNING & COMMUNITY DEVELOPMENT**  
**D. PUBLIC WORKS**  
**E. CAPITAL IMPROVEMENTS MANAGEMENT SERVICES AND DEBT PLAN**

Item C was addressed first.

**PLANNING & COMMUNITY DEVELOPMENT**

John Dugan presented an overview of the Planning and Community Development Department which consists of Strategic Planning, Community Development, and Grants Administration & Monitoring. He highlighted FY 2013 Accomplishments that include the Implementation of Annexation Policies and Processing 40 Plan Amendment Requests. He reported that they facilitated the adoption of the Eastside CHOICE Neighborhood Transformation Plan and rehabilitated 23 Owner-Occupied Homes. He stated that they had revised the Inner City Reinvestment Infill Policy (ICRIP) based on community indicators.

Mr. Dugan provided an overview of the FY 2014 Programs and Initiatives in which they will update the 1997 Master Plan Policies and reconcile existing plans, policies and assumptions. He stated that they would perform three initial studies in FY 2013: 1) Infill Development Capacity Analysis; 2) Analysis of Future Jobs, Economic Opportunity and Housing Provision; and 3) Alternative Scenario Fiscal Impact Analysis. He spoke of the consultant work that would be solicited in FY 2014 to articulate the form of growth centers and guide policy papers. He noted that they would provide a \$1 million match for an additional \$2 million from the Metropolitan Planning Organization (MPO) for a Multi-Modal Transportation Plan. He indicated that it was a critical component of the Comprehensive Plan and would accommodate the growth of one million people by 2040.

Mr. Dugan outlined the REnewSA Target Areas that were recommended for funding priority in FY 2014 and 2015. He stated that the Revitalization Plan for Wheatley was completed in FY 2013 as part of the Eastside CHOICE Neighborhood Transformation Plan. He noted that the program was funded by \$7.3 million in Federal Grants and \$700,000 from the General Fund. He spoke of the Economic Development and Redevelopment Studies totaling \$250,000 to include a Citywide Market Value Analysis with a focus on the urban core primarily within Loop 410. He stated that the Eastside CHOICE Neighborhood Transformation Plan addresses people, housing, and neighborhoods and provides for catalytic projects to encourage private investment. He mentioned that \$3.6 million was proposed in the FY 2014 Budget for Gap Financing and infrastructure improvements. He provided three funding options for the Transformation Plan.

Mr. Dugan highlighted the Budget and Personnel History from FY 2006 to present noting that the \$3 million increase in FY 2014 was due to a Lead-Based Paint Grant. He stated that they proposed eliminating five positions and transferring three positions to Development Services in October 2013. He reported that the key priorities for FY 2014 include: 1) REnewSA; 2) Eastside CHOICE Neighborhood Transformation Plan Implementation; 3) Transportation Planning; and 4) Strategic Planning.

Mayor Castro thanked staff for the presentation. He asked of the future and if sufficient resources were dedicated to Planning and Community Development. Mr. Dugan replied that he believed that a Comprehensive Strategy was important for development and to engage transportation planning. He stated that he believed sufficient funds were allocated to the Department this year. Mayor Castro asked of the issue of infill development from the MPO. Mr. Dugan replied that the MPO Plan states that the city should prioritize infill development but noted that there had been challenges to implement same. Mayor Castro asked of the three studies identified for FY 2013. Mr. Dugan indicated that the contracts would be presented to the City Council for approval next week. Mayor Castro asked of the fluctuation of positions. Mrs. Sculley stated that there was some loss of funds and that some functions had been transferred to other departments. Mr. Dugan added that Grants Monitoring Administration had been moved back to the Planning Department and that was the reason for the increase in positions. Mayor Castro stated that he was pleased with the commitment to the Eastside CHOICE Neighborhood Program.

Councilmember Lopez asked of the timeline of the Annexation Program. Mr. Dugan replied that the first phase would be completed at the end of November. He stated that the remainder would be presented in February or March 2014. Councilmember Lopez asked how current annexation requests were being handled. Mr. Dugan responded that they looked at them on a case-by-case basis and would work with the respective City Council Committee. Councilmember Lopez spoke of their work with the MPO on a Transportation Plan and asked what was being done at the State and Federal Level. Mr. Dugan stated that the City of San Antonio did not have a formal Transportation Plan. He noted that Transportation Policies were adopted in 1978 and had not been revised since that time. He indicated that they were proposing that the city focus on a Multi-Modal Transportation Plan based on Planning Priorities. Councilmember Lopez highlighted the Infill Development Capacity Analysis that would be conducted and noted that it was very important to the community. He added that the two most important ideas from SA2020 were Education and Transportation. Councilmember Lopez asked of the REnewSA Program. Mr. Dugan replied that it was a coordinated initiative among the Development Services, Office of Historic Preservation, Center City Development Office, and Planning & Community Development to address property issues. He stated that \$700,000 was allocated from the General Fund for vacant and underutilized lots.

Mayor Castro noted that there was not a specific Transportation Plan for the city and spoke of the need to be better organized in this area. City Manager Sculley stated that she had asked Mr. Dugan to serve on the MPO and to work closely with Mike Frisbie.

Councilmember Gonzales stated that the core of the city has many opportunities for walkability and bicycling but that is not conducive outside of Loop 1604. Mr. Dugan stated that they would use a Context Sensitive Transportation Plan in which certain modes of Transportation apply to specific areas of the city. Councilmember Gonzales asked of Annexation related to the goals of SA2020. Mr. Dugan replied that Annexation Policies would ensure the future stability and competitive nature of the city.

Councilmember Bernal thanked staff for their work and stated that he was pleased with the changes to the ICRIP. He spoke of the great amount of development North of Loop 410 in which there had not been a plan in place. He mentioned that the Eastside CHOICE Transformation Plan was a Citywide Project. He asked of the plan to address empty buildings in the Downtown Area. Mr. Dugan spoke of the \$700,000 available funding from the General Fund that could be used to address key areas Downtown and adjacent Inner City Neighborhoods. Lori Houston mentioned the Brownfields

Redevelopment and stated that they had conducted an inventory of vacant properties in the Downtown Area. She added that they sent out letters and Incentive Packages to property owners to let them know what was available to them.

Councilmember Medina spoke of the need to create a Comprehensive Transportation Plan and asked of the next steps on the St. Mary's Revitalization Program. Mr. Dugan replied that they had engaged the community and St. Mary's University to discuss same. He noted that there were opportunities for improvements along major arterials to include sidewalks and bike lanes. He added that they would continue to meet with the stakeholders on future steps.

Councilmember Taylor commended the Planning Department for their work and creativity. She asked how stakeholders would be engaged on the Comprehensive Plan. Mr. Dugan replied that communication would be very important and that community leaders, business groups, and institutions would have to be engaged. He stated that they would host public forums throughout the city and utilize video, websites and other media. Councilmember Taylor mentioned videos from other cities and stated that she would like to tie the Comprehensive Plan to the Budget Process. She asked of the Tax Increment Financing (TIF) Unit. Mr. Dugan replied that they were reorganizing the TIF Unit and focusing on the most viable TIFs.

Councilmember Soules stated that San Antonio was the fastest growing large city in America and that 80% of growth would occur outside Loop 410. He noted that San Antonio was behind the curve in terms of Planning and spoke of the importance of Strategic Planning. He expressed concern with the many positions eliminated within the Department noting the important work that still needs to be completed. He added that he believed that there should be a heavier investment within the Planning and Community Development Department.

Councilmember Saldaña asked of the City South Management Authority (CSMA). Mr. Dugan replied that the CSMA would be dissolved by the new year as approved by the City Council. Councilmember Saldaña highlighted the investment of \$102 million in pipeline on the South Side by SAWS. He spoke of the need to balance growth noting the great amount of growth that has occurred on the North Side. He stated that the Transportation Plan was also very important for future planning.

Mayor Castro thanked staff for the presentation.

Item A was addressed at this time.

## **ECONOMIC DEVELOPMENT**

Rene Dominguez presented an overview of the Economic Development Department noting that there are three divisions: 1) Industry Development; 2) International Business Development; and 3) Small Business Development. He reported that in FY 2013, San Antonio will leverage \$313 million in Corporate Investment and will create and retain 3,527 jobs. He highlighted the total jobs created by the City of San Antonio and Economic Development Foundation over the past five years. Within Industry Development, he stated that \$5 million in City Incentives had leveraged over \$150 million in Private Capital Investment. He noted that the Small Business Ordinance was approved in 2010 and became effective in 2011. He mentioned that the Mentor Protégé Program was implemented in 2012.

Mr. Dominguez outlined FY 2014 Initiatives to include appropriating \$1.75 million to the Economic Development Incentive Fund to attract, expand and retain businesses. He reported that \$500,000 would be utilized toward International Business Development to promote and attract foreign direct investment and assist local businesses with exporting initiatives. He stated that \$350,000 would be provided to the San Antonio Economic Development Corporation to facilitate economic development projects with a focus on local start-up companies. He highlighted Café Commerce, a one-stop small business resource clearinghouse with special emphasis on entrepreneurial mindset development. He stated that a Disparity Causation Analysis Study would be conducted at a cost of \$375,000. The study will evaluate barriers that exist in the marketplace that may prevent small, minority and women-owned businesses from participating in City and Private Sector Contracting Opportunities.

Mr. Dominguez provided a Budget and Position History from 2006 to Present. He recommended that \$2.25 million be reduced within the Economic Development Incentive Fund and \$900,000 be reduced from the Workforce Development Agencies. He stated that they were proposing to eliminate an Administrative Assistant for savings of \$42,602 and a reduction of \$125,000 to the Japanese Representative Contract. He noted that they would continue to concentrate on Economic Development Infrastructure through partnerships and department initiatives. Additionally, they will work on adopting and implementing a Community Economic Development Strategic Plan as well as promote Small Business Development and Outreach.

Mayor Castro thanked staff for the presentation and stated that he was pleased with the collaboration with the Economic Development Foundation (EDF). He noted the city's focus on Small Business through Café Commerce. Mr. Dominguez added that Café Commerce would be located at the Central Library and will consist of a store front. He noted that the store front component would be open by January 2014.

Councilmember Lopez asked of International Investments. Mr. Dominguez responded that the Free Trade Alliance had begun a revisioning process that was almost complete. He mentioned the efforts of the Global Advisory Committee that Councilmember Chan was a member of and spoke of the International Component within the Economic Development Strategic Plan. He stated that the Consultants on the Plan indicated that the city was missing out on the opportunity to attract Foreign Direct Investment. He added that they would focus on countries that align with the City's Targeted Industries. Councilmember Lopez asked of the Casa San Antonio Program. Mr. Dominguez replied that it was based out of the International Relations Office and consisted of three offices in different cities in Mexico. He stated that their focus was to recruit businesses that want to invest in San Antonio.

Councilmember Viagran asked of the public investment within EDIF and Tax Abatements. Mr. Dominguez replied that they combine the funds provided through EDIF and the estimated Tax Abatements to determine the total amount of public investment. Councilmember Viagran asked of the \$500,000 for International Business Development. Mrs. Sculley replied that it was not included in the Economic Development Department Budget but was accounted for within the Non-Departmental Budget. She noted that they would provide a list to the City Council with various contracts managed by the Economic Development Department.

Councilmember Gonzales asked of funding for Project Quest and of manufacturing jobs. Mr. Dominguez replied that there were four targeted SA2020 Industries: 1) Aerospace; 2) IT/Cyber; 3)

Health; and 4) Renewables. He stated that the Economic Development Department focused on 13 Targeted Industries of which manufacturing was included. Councilmember Gonzales asked of the Small Business Component at the One-Stop. Mr. Dominguez replied that it still existed to provide technical assistance including permitting. He added that the remainder would reside at Café Commerce.

Councilmember Soules spoke of the need to create thousands of jobs each year and not lose so many. He stated that the city should look at other cities such as Schertz and Seguin to see what they are doing to attract jobs. Mr. Dominguez stated that the issue was addressed in their Strategic Plan that would be presented to the City Council within the next few months. He mentioned the need to change the mindset and create incentive packages that will attract businesses. Councilmember Soules spoke of the need to look at items such as Taxation Policies and the Storm Water Runoff Fee that businesses research before coming to San Antonio.

Councilmember Chan commended the Economic Development Department for their work and recognized Jose Martinez of the Free Trade Alliance. She spoke of the need to increase the Tax Base and attract businesses from outside the US. She noted the great relationship that San Antonio has with Mexico and Sister Cities and asked of the use of International Funding. Mr. Dominguez replied that they leveraged resources through partnerships and collaboration and highlighted the celebration of 20 Years of NAFTA last year. He noted that the Sister Cities Conference last month was also a great investment for the city. Councilmember Chan asked that staff be more strategic of the goals to attract foreign investment.

Councilmember Medina asked of the funding allocated to Steve Niven. Mr. Dominguez replied that it was included in the budget and that Mr. Niven provided specialized analysis and Economic Development Models. Mrs. Sculley added that the city partnered with the Hispanic Chamber to pay Mr. Niven's Salary. Councilmember Medina asked of Workforce Development Training. Mr. Dominguez replied that Workforce Solutions Alamo (WSA) receives Federal Funding and serves as a pass-through to other agencies. He noted that the city funds four programs as well as the Alamo Academies through the Interlocal Agreement with WSA. Councilmember Medina asked of the issues related to the Request for Proposals (RFP) for Childcare. Carlos Contreras stated that there was not a conflict of interest but an issue had been raised regarding the city's role of the Committee of Six and WSA.

Councilmember Nirenberg spoke of the importance of Economic Development and stated that he would like to see the retention component expanded. He asked of the potential impact of Non-Attainment Status on Air Quality on the City of San Antonio. Mrs. Sculley replied that it was an issue that would have to be addressed and could include requirements such as alternative work schedules and modes of transportation.

Mayor Castro thanked staff for the presentation.

## **RECESSED**

Mayor Castro recessed the meeting at 11:33 am to break for lunch and announced that the meeting would resume at 1:30 pm.

## **RECONVENED**

Mayor Castro reconvened the meeting at 1:38 pm. He addressed Item B at this time.

## **CENTER CITY DEVELOPMENT OFFICE**

Lori Houston presented an overview of the Center City Development Office (CCDO). She stated that they facilitate the development and re-development of the Inner City Reinvestment Infill Policy (ICRIP) Area. She noted that they also work on the SA2020 Vision to increase housing and improve the quality of life in the Downtown Area. She highlighted FY 2013 Accomplishments which include the processing of 366 ICRIP Applications for fee waivers. She reported that within the Center City Housing Incentive Policy, they had executed 13 agreements for 1,050 new housing units. She spoke of the Inner City Incentive Fund and stated that seven Economic Development Projects had received a total of \$1,570,679 resulting in 482 Housing Units.

Ms. Houston outlined their work on East Side Redevelopment including the Red Berry Estate and Sterling Building. She mentioned West Side Redevelopment Efforts such as the Cool Crest Golf Course and South Side Redevelopment including the Mission Drive-In. She stated that 14 Loan Agreements had been executed within the Home Ownership Program for Employees (HOPE). She noted that 26 properties were constructed or in the construction phase under the Infill Pilot Program and that said program would transition to the REnewSA Program in FY 2014. She stated that they had funded \$186,000 for assessments and environmental surveys for 16 properties within the Brownfields Program.

Ms. Houston presented a Department Budget and Position History from 2008 to present. She stated that they were proposing \$50,000 in Line Item Reductions including Fees to Professional Contractors. She reported that \$1.75 million would be added to the Inner City Incentive Fund to support Economic Development Projects and stimulate development in the Downtown Area. She noted that \$1.15 million would be provided to the Hemisfair Park Area Redevelopment Corporation (HPARC) for operations to redevelop and improve Hemisfair Park. She added that they would continue efforts to build housing density in the Downtown Area and develop strategies to better leverage other financial tools and partnerships.

Ms. Houston presented an overview of HPARC noting that it was created as a Local Government Corporation in 2009 to manage and oversee the redevelopment of Hemisfair Park and the surrounding area. She stated that they were governed by an 11-Member Board comprised of representatives from a cross-section of local stakeholders. She highlighted FY 2013 Accomplishments such as the development and management of a branding strategy, logo, website, and social media. She reported that a Capital Funding Agreement provides HPARC \$1.6 million in Project Management Fees for \$50.4 million in Capital Projects funded by 2007 Bond Proceeds, 2008 Certificates of Obligation, and 2012 Bond Proceeds. She provided an Operating Budget and Position History for HPARC from 2011. She mentioned that they would focus on P3 Projects in FY 2014 including the Water Street Lofts, Historic Building Activation, and 300 South Alamo. She added that they would continue their Fundraising Strategy and Marketing Campaign, as well as Community Outreach Efforts.

Mayor Castro thanked staff for the presentation. He noted the reduction of incentives but stated that he was pleased with the projects that were occurring. He asked of the ratio of Private and Public

Investment. Ms. Houston replied that in regard to Housing Incentives, there is a 10% City Investment to 90% Investment. She highlighted the El Paso Lofts and Mosaic Projects. Mayor Castro asked of the number of Plans for Hemisfair since 1968. Ms. Houston replied that there had been 12 Plans created for Hemisfair Park since 1968. Mayor Castro noted that although there had been many Plans; there had not been enough investment in the area. He asked how the additional \$650,000 would be used by HPARC. Ms. Houston replied that it would be used to fund Personnel, Consultants, and the creation of a Fundraising Strategy and Marketing Campaign. Mayor Castro highlighted three critical components for Hemisfair: 1) Playscape; 2) Northwest Corner of the Park; and 3) Self-Sufficiency by 2019. He spoke of the Vision for Hemisfair Park in which the 300<sup>th</sup> Anniversary of the City can be celebrated there and all can be proud of the Park.

Councilmember Saldaña stated that he was pleased with the many projects in the Downtown Area and that Hemisfair Park should be the centerpiece of the city.

Councilmember Bernal stated that he was excited about the many changes in the Downtown Area and noted that Hemisfair Park was the crown jewel of the city. He spoke of the importance of funding for Hemisfair Park and noted that the leases in the Park had been increased to pay for the additional funding requested by HPARC. He noted that he expects the pace to pick up at Hemisfair Park and thanked everyone for their work.

Councilmember Medina stated that it was important to continue investments in the Downtown Area. He asked of the decrease to the Westside Development Corporation (WDC). Ms. Houston replied that both the WDC and San Antonio Growth for the Eastside (SAGE) were decreased by 5%. Mrs. Sculley noted that this was consistent with the reductions to Delegate Agencies. Laura Cabanilla-Cruz, Interim WDC President stated that they would try to raise the \$13,000 that was being reduced from their budget. Councilmember Medina stated that he would like to advocate for funding for the WDC. He asked if CPS Energy provided any Impact Waivers for development. Ms. Houston replied that they did not.

Councilmember Soules stated that he respects the work of Downtown but is concerned with needs versus wants. He asked if investment in Hemisfair Park should be accelerated when basic services are being cut. He noted that no positions were recommended for reduction and that the Department was adding a position. Ms. Houston replied that they were receiving one position redirected from the Planning Department. Councilmember Soules noted the redirection of CIMS Bond Funds to HPARC to oversee Capital Projects and asked of the two staff persons that would perform the tasks. Ms. Houston stated that they were funded through a Capital Funding Agreement separate from the HPARC Budget. Councilmember Soules noted that he was comfortable with the level of investment on HPARC but concerned with the acceleration. He asked when they would become self-sufficient. Ms. Houston replied that it was taking longer than expected due to the implementation of the Hemisfair Park Master Plan. Councilmember Soules expressed concern with the basic services that are being cut.

Councilmember Viagran stated that she was excited about the projects and asked of the leases in Hemisfair Park. Ms. Houston replied that there were two leases; one with the Tower of the Americas and the other was an Antenna Lease on top of the Tower. Councilmember Viagran spoke of the need to connect Downtown to the South Side and asked of the Infill Pilot Program. Ms. Houston stated that the three areas had been previously selected by the City Council and noted that the Pilot Program would transition to the RENEWSA Program in FY 2014.

Councilmember Chan stated that the Downtown Area is important and would like for it to be vibrant. She asked of the ICRIP and Center City Housing Incentive Policy (CCHIP) Funding. Ms. Houston replied that the ICRIP Fund for FY 2013 included \$3 million and \$1.5 million of that amount was provided to seven projects. She stated that three of the seven projects were CCHIP Projects and chose to take a low-interest loan or included a mixed-use development component. Councilmember Chan asked if the HPARC By-Laws had been amended since incorporation. Andres Andujar replied that they had been amended to allow HPARC to become a 501(c)(3). Councilmember Chan requested confirmation that HPARC Appointments are made by the Mayor and approved by the City Council. Councilmember Chan asked of the Fundraising Efforts that have occurred for HPARC. Mr. Andujar replied that they had not focused much effort on fundraising but had received a total value of \$1.1 million through Volunteers, Board Membership, Furniture, and Cash. He added that they were moving from a Planning Phase to an Execution Phase and that many changes would be seen on the ground very soon. He noted that there would be a multi-level fundraising effort for Hemisfair Park.

Councilmember Chan asked why the \$1.5 million provided to HPARC over the last three years had not been enough to become self-sufficient. Mr. Andujar replied that there had not been a Master Plan in 2009 and believed that it was premature to make a decision regarding self-sufficiency at that time. Councilmember Chan asked of the accomplishments and funds spent over the past three years. Mr. Andujar reported that they had spent \$1 million on the Master Plan and had received endorsements that led to the success of the 2012 Bond Program. He noted that they had created Draft Development Design Standards at a cost of \$3,000 and developed Environmental Sustainability Standards which cost \$30,000. He mentioned that they had spent \$50,000 on the development of a Financial Master Plan. Ms. Houston indicated that \$50.4 million was allocated to HPARC in Bond Projects from the 2007 and 2012 Bonds. She stated that the city had provided \$1.4 million in operating funds since FY 2011. Councilmember Chan expressed concern with the high personnel costs and funding spent on studies. She stated that she believed that the city could take over the management of HPARC.

Councilmember Nirenberg stated that he was pleased with the investment in Hemisfair Park but would like to understand the return on investment. He asked what funding would look like when HPARC was self-sufficient. Mr. Andujar replied that they would have dedicated revenue streams through existing and new leases. He noted that they would stabilize staffing at 9-10 employees. Councilmember Nirenberg asked of the \$230,000 that would be used for Fundraising. Mr. Andujar stated that they believed that the return on investment would be millions of dollars through a dedicated Fundraising Team.

Councilmember Gonzales stated that she was pleased with the student housing implemented in the district. She asked of the forgivable loans provided through the First-Time Homebuyer Program. Ms. Houston replied the loans were provided to City Employees that were First-Time Homebuyers who purchased within the ICRIP or Community Revitalization Action Group (CRAG) Area. She noted that it was forgiven by 20% each year as long as they remained a City Employee. Councilmember Gonzales asked of the decrease of Inner City Incentives. Ms. Houston stated that it was recommended for reduction during the Budget Goal Setting Session. Councilmember Gonzales spoke of the need to identify best use of parking around Hemisfair and the Downtown Area.

Mayor Castro thanked staff for the presentation. He addressed Item D (Public Works) at this time.

## **PUBLIC WORKS**

Anthony Chukwudolue presented an overview of the Public Works Department which consists of three divisions: 1) Planning & Engineering; 2) Operations & Maintenance; and 3) Program Compliance. He highlighted the frequency of service delivery for Mowing, Natural Creekway Maintenance, Street Sweeping, Pavement Markings, and Pothole Repairs. He outlined FY 2013 Accomplishments, noting that they provided 244 miles of street maintenance throughout the city. He reported that they fully reconstructed 4.4 miles of alleys and completed 13 miles of new sidewalks citywide. He spoke of the new fee methodology implemented in April 2013 for Fee in Lieu of On Site Detention and estimated collecting \$500,000 in the first six months. He explained that the FY 2014 budget would continue the Infrastructure Maintenance Program (IMP) at \$54 million and increase Sidewalk Funding to \$8.5 million. He stated that they would review their operational processes to improve service delivery and increase community outreach on services and projects. He noted that they would address speeding along residential streets by working with each Council District to prioritize speed hump locations and identify locations for other Traffic Calming Measures. He outlined the recommended Modified Speed Hump Policy in which Geometric/Traffic and Procedural changes would be made. He added that the budget includes the approval of a 10-Year Agreement for the disposal of construction waste at a suitable site at no cost to the city.

Mr. Chukwudolue outlined the FY 2014 Operating Budget by Fund to include the General Fund, Advanced Transportation District (ATD), Storm Water, Regional Facilities, and Right-of-Way Funding. He reported that the FY 2014 totaled \$132.3 million which was \$3 million less than 2013. He stated that \$9.6 million was allocated toward new Drainage Projects funded with Regional Facilities and Storm Water Operating Funds. He explained the projects within the General Fund Budget totaling \$64 million. He noted that they were recommending the elimination of a vacant position within Inspections and elimination of one Crew through the redirection of a portion of ADA Ramp Program Funds to the ATD Fund.

Mr. Chukwudolue provided an update on the ATD Budget noting that \$16.8 million was proposed for FY 2014. He noted that \$2.7 million would be used for 25 positions and \$14.1 million would be used for Street and Sidewalk Projects. He stated that the Traffic Signal Modernization Program was completed in FY 2012 with 1,332 Signals improved. He reported that it had resulted in 32% fewer vehicular stops and 12% average reduction in travel time. He explained that the Storm Water Operations Budget totaled \$42.4 million in FY 2014 and would be used for Mowing, Natural Creekway Cleaning, Channel Restoration, and Street Sweeping. He stated that they would redirect funding from the mowing of medians and right-of-ways to contract services for \$56,000 in savings. He noted that they would save money and increase Right-of-Way Mowing to 6 cycles per year and Median Mowing to 24 cycles per year. He added that the Storm Water Fee had not been increased since 2008 and was structured in 4 different classes based on parcel size. He noted that a Pilot Storm Water Fee Study was conducted in FY 2013 and showed some inequities. He indicated that no fee increase was recommended for FY 2014 and that a Comprehensive Study would be conducted to develop a fee methodology based on impervious cover.

Mr. Chukwudolue reported that the Regional Facilities Fund totaled \$9.7 million. He stated that three positions would be added to the Storm Water Review Team and one position would be added to initiate and coordinate the Floodplain Development Permits Process. He noted that the Right-of-Way Fund was established in 2001 to manage the use of the city's right-of-way to ensure the safety of the

public during construction. He mentioned that \$1.9 million was available in the Right-of-Way Fund and noted the reduction of two vacant Inspector Positions. He stated that they would continue to maintain funding for streets and increase funding for sidewalks through the Sidewalks to Schools Project.

Councilmember Medina thanked staff for their work and asked of the replacement of manhole covers. Mr. Chukwudolue replied that they replaced 1,200 manhole covers last year at a cost of \$200 each. Councilmember Medina spoke of the Traffic Calming Initiative and asked of other safety measures. Mr. Chukwudolue replied that they were working with each of the Councilmembers to identify Traffic Calming Measures that could address areas of concern. Councilmember Medina asked of the position being added for Floodplain Development. Mr. Chukwudolue replied that the individual would assist with the permitting process. Councilmember Medina asked of the Comprehensive Study that would be conducted. Mr. Chukwudolue stated that the current methodology to assess Stormwater Fees uses parcel size. He noted that a Comprehensive Study would be conducted to develop a fee schedule based on impervious cover. He explained that \$200,000 would be used to update the data and \$390,000 would be used for the study.

Councilmember Lopez asked of funding to address emergency disasters. Mrs. Sculley replied that they addressed each disaster individually and that there was no designated funding for same.

Councilmember Soules asked of the number of Downtown Streets that were swept. Mr. Chukwudolue stated that 106 miles of Downtown Streets will be cleaned every day in FY 2014. Councilmember Soules asked of the General Fund Budget. Mr. Chukwudolue replied that it totaled \$64 million for FY 2014 and that the IMP totaled \$53.8 million. Councilmember Soules stated that the number one budget issue he had heard about during community budget meetings was street repair. He asked that additional funds be allocated for same if possible. He asked of the Waste Disposal Agreement. Mr. Chukwudolue stated that the Agreement would be brought to the City Council for consideration. Mr. Peter Zaroni added that a contractor would allow the city to dispose of construction waste at his site at no cost to the city.

Councilmember Nirenberg thanked staff for their work in the Medical Center. He asked of the TXDoT Proposal to take over maintenance of certain streets. Mrs. Sculley replied that IGR Director, Jeff Coyle was working with Public Works and Budget Staff on estimated costs to the city. Councilmember Nirenberg asked how the addition of mowing cycles resulted in less costs. Mr. Chukwudolue replied that the costs would be reduced by outsourcing the work. Councilmember Nirenberg asked of the Residential Speed Reduction Study and Timeline. Arthur Reinhardt replied that they would be performing speed data now that school was starting again and would put up signs in Pilot Neighborhoods. He noted that they should have results by the end of 2014.

Councilmember Chan commended Public Works for their great work. She asked of the increase in the Stormwater Operations Budget. Mr. Chukwudolue replied that it was due to the increased amount of customers. Councilmember Chan asked of the fund balance. Mr. Chukwudolue replied that the balance was due to projects that had been closed out with \$3.3 million remaining to be carried over to FY 2014. Councilmember Chan asked of the Right-of-Way Fund. Mr. Chukwudolue replied that there were fees paid by entities that performed work in the City's Right-of-Way.

Councilmember Viagran expressed concern with the closure of the Community Link Centers since citizens would lose the convenience of services within the community. She stated that she was pleased with the work of 3-1-1 and thanked staff for the presentation.

**ADJOURNMENT**

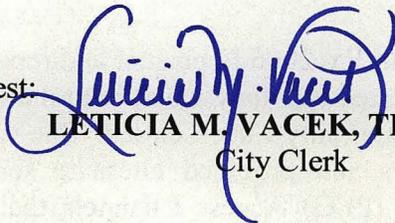
There being no further discussion, Councilmember Viagran adjourned the meeting at 4:46 pm.

**APPROVED**



**JULIÁN CASTRO  
MAYOR**

Attest:



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