

**State of Texas
County of Bexar
City of San Antonio**



**FINAL
Meeting Minutes
City Council B Session**

City Hall Complex
114 W. Commerce
San Antonio, Texas 78205

Wednesday, September 10, 2014

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the "B" Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call as follows:

Present 11 - Mayor Taylor, Bernal, Toney, Viagran, Saldaña, Gonzales, Lopez, Aguirre-Rodriguez, Nirenberg, Krier, and Gallagher

1. Staff presentation on the FY 2015 Proposed Budget focusing on, but not limited to, the following City Departments: [Sheryl Sculley, City Manager; Maria Villagomez, Director, Management and Budget]
 - A. Employee Benefits and Compensation
 - B. Workers Compensation and Liability
 - C. Eastpoint and Real Estate Services
 - D. Office of Sustainability

EMPLOYEE BENEFITS AND COMPENSATION

Ben Gorzell presented the Employee Compensation and Benefits for FY 2015. He reported that the City of San Antonio was comprised of 7,681 Civilian and 4,038 Uniform Employees. He stated that Uniform Wage Increases were defined under the respective Collective Bargaining Agreements. He highlighted Benefits, Salaries, and other Compensation to include Training, Tuition Reimbursement, and Wellness Programs. He stated that employees under the Civilian Step Plan would receive a 1% Cost of Living Adjustment (COLA) plus 2-4% Step Increase based on tenure. He noted that employees under the Uniform Step Plan would receive 2-3% Increase and/or 3% Tenure Based Longevity Pay for Eligible Uniforms. He added that Civilian Non-Step Employees would receive 1% COLA plus the opportunity to receive Performance Pay based on their Evaluation. He noted that Civilian Retirees would receive a COLA equivalent to 1.1% Annuity consistent with TMRS Rules.

Mr. Gorzell reported the Employee Benefits Cost of \$269.9 Million per year. He explained that for FY 2015, they recommended elimination of the Premier Plan which was only used by 275 Employees. He provided a Healthcare Cost Comparison for Uniform and Civilian Employees with other Texas Cities and mentioned that San Antonio paid the most for Uniform Employees. He stated that they recommended providing \$10,000 per Uniform Employee for FY 2015. He provided an overview of the Wellness Program and highlighted the benefits. He stated that the Wellness Strategy was to incentive engagement in the program and monitor results.

Mayor Taylor thanked staff for the presentation and asked of the status of the Step Plan. Mrs. Sculley replied that it was implemented in 2007 and that employees moved up based on their tenure with the City of San Antonio. Mayor Taylor asked of incentives for high performing employees. Mr. Gorzell replied that a Performance Pay Allocation Pool totaling 3% of eligible employee's salaries had been set aside to reward high performers. He stated that they were working with the Employee-Management Committee and hoped to finalize changes for Step Employees next fiscal year. Mayor Taylor asked of the elimination of the Premier Healthcare Plan. Mr. Gorzell replied that the that a majority of the Health Providers in the Premier Plan would be available in the new Plan and that they would work on making Out-of-Network Providers a part of the In-Network. He added that they would continue their outreach efforts and assist employees with the transition.

Councilmember Lopez asked of the Cadillac Tax for Uniform Employees. Mr. Gorzell replied that it was scheduled to take effect in 2018 and stated that if the plans remained unchanged; they would be subject to the tax. Councilmember Lopez asked if the \$10,000 allocated in the Budget for Uniform Healthcare included Police and Fire. Mr. Gorzell confirmed that it included both Police and Fire. Councilmember Lopez asked of the difference in the amount of the COLA and the increase in benefits. Mr. Gorzell stated that there were 100 employees that would be negatively impacted.

Councilmember Viagran stated that Civilian Employees should not take home less due to the increase in Healthcare Costs. She asked of the Performance Pay and Evaluations. Mr. Gorzell replied that they took 3% of the salaries of eligible employees and placed it in a pool. He noted that Supervisors administered the evaluations. Councilmember Viagran requested a copy of the 2014 Healthcare Cost Sharing.

Councilmember Gallagher asked of the participation rate of the Wellness Programs. Mr. Gorzell replied that 714 Employees had utilized the Coaching Sessions and that 3,800 Employees were enrolled in the Virgin Health Miles Program. Councilmember Gallagher asked of the Civilian versus Uniform Participation in Wellness Programs. Mr. Gorzell replied that the Wellness Programs were for Civilian Employees. Councilmember Gallagher asked of the major factors related to the increasing costs of Healthcare. Mr. Gorzell responded that there were more high cost claims and that utilization had increased so there were more claims being filed. Mrs. Sculley added that Medical Costs had increased and that they were encouraging preventive care and Wellness Programs.

Councilmember Krier asked of the Healthcare Costs for Uniform Employees. Mr. Gorzell stated that they did not pay any Health Premiums but were responsible for deductibles and some co-pays which was equivalent to 9% of the costs. Councilmember Krier asked of the COLA and the increase in Healthcare Costs. Mr. Gorzell stated that COLA was 1% while employees under Step were eligible for an additional 2-4%. He added that Non-Step Employees were also eligible for Performance Pay.

Councilmember Bernal asked of the Performance Pay Allocations. Mr. Gorzell replied that the Human Resources Department provided Departments with a recommended Bell Curve for allocating Performance Pay but there was more flexibility than in the past.

WORKERS COMPENSATION AND LIABILITY

Troy Elliott presented an overview of the Finance Department FY 2015 Proposed Budget Totaling \$40.8 Million. He outlined the Risk Management Division that includes: 1) Claims Administration; 2) Occupational Health and Safety; 3) Risk Transfer and Contract Compliance; and 4) Commercial Insurance. He introduced Debra Ojo, Assistant Director over the Risk Management Division. Ms. Ojo spoke of the Liability Claims Process in which Risk Management and a Third Party Administrator (TPA) reviews. She presented a 10-Year History of Liability Claims Filed and Paid which totaled \$45.23 Million. She stated that Workers Compensation Claims were reviewed by a TPA and were processed or denied. She noted that employees could dispute denied claims through an Administrative Process. She presented a 10-Year History of Workers' Compensation Claims Filed and Paid totaling \$95.46 Million.

Ms. Ojo highlighted FY 2015 Improvements that include the Claims Administration Process being internalized for a savings of nearly \$200,000. Additionally, \$230,000 will be used for Safety Program Improvements such as the implementation of a Safe Driver Program and Bloodborne Pathogens Program. She added that they would focus on minimizing the City's Financial Losses and Exposures while promoting a safe and healthy driving force.

Mayor Taylor thanked staff for the presentation and asked how procedures could be improved to decrease injuries and claims. Mrs. Sculley replied that they reviewed the claims and identified the types of injuries, where the accidents were occurring and where additional training could be provided.

Councilmember Nirenberg asked how San Antonio compared to other cities in regard to the amount of days it took to process a claim. Ms. Ojo replied that they did not have data for other cities and mentioned that everyone handles their claims differently. Councilmember Nirenberg asked of the claims processed and denied. Mr. Elliott provided a 3-Year History for Fire, Police, and Civilian Employees and stated that historically for Civilians, there was a 14-17% Denial Rate. Councilmember Nirenberg asked of the claims paid for Workers' Compensation. Mr. Elliott replied that it had been declining for the last three years and that was due to various programs that had been implemented.

Councilmember Toney requested a comparison of Workers' Compensation Data for other Texas Cities. Mr. Elliott replied that they would contact other cities for the information and provide it to the City Council.

Councilmember Saldaña asked of the high Workers' Compensation Claims for the Parks Department. Mr. Elliott replied that they were related to slips, trips and falls and were working on preventive measures. Ms. Ojo added that some claims were related to Seasonal Employees during the Summer Months and included Bee Stings, Dehydration, and Pool Injuries. Councilmember Saldaña asked of the internalization of claims administration. Ms. Ojo replied that they the city could settle claims faster than a TPA and that they would assign Safety Representatives to each department. Mr. Gorzell added that they were only recommending to internalize the administration of Liability Claims and not Workers' Compensation Claims.

Councilmember Aguirre-Rodriguez asked if other cities administered their Liability Claims internally. Ms. Ojo replied that Houston and Dallas processed their Liability Claims internally.

Councilmember Bernal asked if there was anything that could be done to make the

Workers' Compensation Process faster. Ms. Ojo spoke of Managed Care in which claims that meet a certain threshold are assigned to Local Nurse. She stated that the Nurse would meet with the employee and guide them through the process. She indicated that it was part of the TPA Contract but was not utilized until two months ago. Councilmember Bernal asked if there was a sufficient amount of Nurses that could be utilized. Ms. Ojo stated that they were only using them for a certain number of claims and was a Pilot Program at this time.

Mayor Taylor asked how Cancer Claims were being handled within the Fire Department. Ms. Ojo stated that in 2005, the Texas Legislature had adopted a bill that allowed for Cancer and other diseases to be presumed attributed to the Line of Duty. She noted that the bill also provided the employer an opportunity to determine whether the Cancer was work-related. She reported that six claims had been filed and one claim had gone through the review process and been denied. She indicated that the remaining five claims were in the review process.

Councilmember Lopez asked how Dialysis was handled. Ms. Ojo replied that Dialysis was not in the purview of Workers' Compensation. Mr. Gorzell stated that he did not have the data with him regarding Dialysis Claims but would provide that information to the City Council.

Councilmember Toney asked of the employer's right to determine if Cancer is work-related. Mr. Elliott stated that the TPA evaluates that claim and then the city performs due diligence such as inquire if they or a family member is a Smoker.

Mayor Taylor thanked staff for the presentation.

EASTPOINT AND REAL ESTATE SERVICES

Mike Etienne reported that EastPoint was a 4 square mile area East of Downtown San Antonio that had received Federal Grant Funds totaling \$55 Million for Revitalization Efforts. He stated that the Department was coordinating 4 Major Initiatives with the intent of improving the quality of life for residents.

The First Initiative discussed was the Choice Neighborhood Revitalization Grant. Mr. Etienne stated that the San Antonio Housing Authority had received a Grant totaling \$29.75 Million in 2012 to redevelop Wheatley Courts. The Second Initiative detailed was the Promise Neighborhood Grant. It was noted that Grant funds had been received by the United Way to improve educational opportunities for residents. The Third Initiative referenced was the Byrne Criminal Justice Grant. Mr. Etienne stated that the Grant was received by the United Way and the San Antonio Housing Authority to improve public

safety in the Community. The Fourth Initiative noted was the Promise Zone Designation. It was reported that the Promise Zone designation was received in January with the purpose of providing technical assistance as well as providing access to federal grants identified for improving quality of life on the Eastside and providing tax credits and incentives to Eastside Businesses. Mr. Etienne reiterated that the overall goal of these 4 Initiatives was to attract private investment, spur redevelopment, and improve the quality of life.

Mr. Etienne detailed the boundaries of the area and reported on the demographic make-up of the community. He stated that the area was comprised of 18,000 residents with 38% living below poverty levels and 20% unemployed.

Mr. Etienne noted that Major Goals for EastPoint were to increase housing options, improve educational opportunities, and improve public safety. He stated that said goals would be achieved by demolishing Wheatley Courts to make room for mixed income housing, redeveloping vacant structures, partnering with educational institutions to increase educational and workforce opportunities, and improving public safety and infrastructure needs. He listed partners in the Revitalization Efforts and noted that a total of \$177 Million had been invested in the area thus far.

As it relates to Redeveloping Wheatley Courts, it was reported that the Project entailed 4 Phases, comprised a total of 625 new housing units, and would be completed by 2017. Mr. Etienne stated that the Revitalization Plan incorporated infrastructure improvements and advanced educational opportunities for youth of the community. He reported that graduation rates at Sam Houston High School increased from 46% to 84% and absenteeism decreased. Other educational improvements highlighted included the implementation of STEM at area high schools, the conversion of Wheatley Middle School into a Community School, and partnering with St. Phillip's College to create the Early College High School.

Public Safety Improvements highlighted included the decrease in crime by 6.7%, impounding 731 stray animals, processing 7,336 code violations, and demolishing 137 homes. In the area of Infrastructure Improvements, it was reported that 7 Capital Bond Projects totaling \$26 Million would be completed by 2018 and that Improvements to Menger Creek entailed converting the drainage ditch into a Community Park.

Mr. Etienne highlighted Upcoming Events and Projects. He stated that Wheatley Courts was scheduled to be demolished on September 25th and that EastPoint would be coordinating a Job Readiness Workshop in October and Job Fair in November. It was reported that the Workshop and Job Fair were needed as 20% of residents were unemployed and many were ex-offenders. Another event planned included having a Lender's Workshop targeting Eastside Businesses and Homeowners. He stated that the intent was to provide loans to those that typically are not awarded loans.

Mayor Taylor thanked staff for the presentation and commended Mayor Castro and staff for their hard work and dedication. She spoke of the importance of the City thriving and the need to make investments in every part of the City. She noted that all residents suffered from the lack of investment made via increased taxes.

Councilmember Toney thanked Mayor Taylor for her Leadership. He spoke on the significance EastPoint Revitalization Efforts would have on the City and asked if Adult Literacy Classes would be offered at the Community School. Mr. Etienne reported that SAISD was coordinating Adult Literacy Classes.

Councilmember Saldaña thanked Mayors Taylor and Castro for their leadership and Mr. Etienne for his hard work.

Councilmember Viagran asked for more details regarding code enforcement efforts. Mr. Etienne clarified that the 7,336 cases processed were just in the EastPoint footprint. Councilmember Viagran thanked Mr. Etienne for securing partners with a vision of making Eastside Revitalization Efforts successful.

Councilmember Bernal congratulated Mr. Etienne on work completed so far and asked for more information regarding the partnership with SAISD. It was reported that SAISD would be funding the repurposing of the Middle School and was in the process of identifying additional partners so that the school could be used for community functions.

Councilmember Gonzales asked for clarification on the number of housing units available at Wheatley Courts. Mr. Etienne stated that the City was required by law to have a one for one replacement on housing units and would be doing so with Wheatley Courts. As it relates to educational opportunities, it was reported that Workforce Training and Adult Literacy Classes would be held at various places in the neighborhood to include St. Phillip's College and Goodwill Industries. Councilmember Gonzales expressed concern with Revitalization Efforts not addressing early childhood educational opportunities. She noted that the area lacked accredited preschools and day care centers.

Mayor Taylor responded that the United Way was working on increasing funding so that Pre-K slots would be available for Eastside Residents. She noted that discussions have taken place to retrofit a City-Owned Building at St. Phillip's in hopes that it would serve as the 5th Pre-K 4 SA Site. Partnerships were identified and it was reported that the City was conducting Feasibility Studies.

Councilmember Krier asked of funding timelines. Mr. Etienne replied that monthly meetings were conducted to ensure the Projects were on schedule and on budget as grant

funds had to be utilized by a specific time period. He noted that staff also met on a regular basis with Mrs. Sculley and Peter Zaroni. Councilmember Krier spoke of the Key Strategies identified on Slides 5 and 6 and asked of partnerships developed with private businesses. Mr. Etienne responded that staff was in the process of identifying private sector investors.

Councilmember Lopez asked for more details on the partnership with SAISD. It was reported that SAISD would be retrofitting the Middle School into a Community School utilizing Promise Zone Grant Funds and with assistance from the United Way. Mr. Etienne noted that SAISD was in the process of developing a design for the school and would be providing the City with financial information in December.

RECESSED

Mayor Taylor recessed the meeting into Executive Session at 5:07 pm to discuss the following:

- A. Discuss legal issues relating to an alternative water supply pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- B. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- C. 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).
- D. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).

RECONVENED

Mayor Taylor reconvened the meeting at 6:07 pm and announced that no action was taken in Executive Session.

The City Clerk read the caption for Item 2:

2. Public Hearings on the City's 2014 Proposed Ad Valorem Tax Rate for the FY 2014 Budget and the FY 2015 Proposed Budget [Sheryl Sculley, City Manager; Maria Villagomez, Director, Management and Budget]

Mayor Taylor opened the Second Combined FY 2015 Budget and 2014 Tax Rate Public Hearing and called upon the citizens registered to speak.

Joseph Windham stated that he was a Resident of District 2 and that there were many issues related to lack of adequate street lighting. He expressed support for funding for adequate street lighting in the underserved neighborhoods in District 5.

Mark Perez expressed concern with the large amount of funding allocated to the Fire Department as well as Development Services and Code Enforcement. He requested that employees in these departments be provided with additional training.

Mindy Ramirez addressed the City Council in support of maintaining the civilian positions within the San Antonio Police Department (SAPD) Family Justice Center. She spoke of her experiences in utilizing the Family Justice Center and the importance of addressing Domestic Violence.

Richard Solis stated that he was a Crisis Response Team Members within the SAPD that worked with victims of Domestic and Family Violence. He spoke in support of maintaining funding for their positions. He noted his support for additional street lighting in District 5.

Guadalupe Espinoza stated that she lived on Montezuma Street and that the West Side Neighborhoods were in dire need of additional street lighting.

Raymond Gonzalez addressed the City Council to express concerns with the lack of adequate street lighting in the Guadalupe and West Commerce Street Neighborhoods.

Nazirite Ruben Flores Perez stated that he was supportive of Uniform Employees paying the same amount as Civilian Employees for Healthcare Benefits. He expressed support for additional street lighting in District 5.

Sandra Duarte, Juanita Elizondo, and Jane Serna representing the Texas Organizing Project addressed the City Council. Ms. Duarte requested that the streets and sidewalks in District 5 be fixed and that funding be allocated for street lighting in the area. Ms. Elizondo stated that they were in need of additional lighting along Nueces Street and referenced an accident that had occurred with an individual in a wheelchair. Ms. Serna noted that they did not have

enough street lighting or sidewalks in their neighborhood. Leticia Vigil, Francisca Arredondo, Jaime Arredondo and Araceli Herrera also requested additional street lights and sidewalks in their neighborhood.

Dee Lim, Buddy Villejo, and Moises Zuniga representing SEIU addressed the City Council. Ms. Lim stated that she was committed to ensuring that the West Side received additional street lighting. Mr. Villejo stated that he had been a City Employee for 35 years and was also supportive of the West Side receiving additional street lights. Mr. Zuniga stated that he was also a City Employee and lived in District 5. He added his support for additional street lighting on the West Side. A City Employee named Karen noted her support for additional street lighting in District 5 noting that crime occurred in dark areas. Sonterro Gonzales and Mr. Brown also addressed the City Council in support of additional street lighting in District t5.

Rhett Smith expressed support for additional street lighting in District 5 and spoke of his work as a Private Security Guard. He requested that a small portion of the Fire and Police Budgets be allocated for the lighting.

Mayor Taylor stated that the the City Council would vote on the City of San Antonio Property Tax Rate for Tax Year 2014 at its meeting on Thursday, September 18, 2014, which would begin at 9:00 am and would be held in the City Council Chamber, 114 W. Commerce Street. There being no other citizens registered to speak, Mayor Taylor closed the Second Combined FY 2015 Budget and 2014 Tax Rate Public Hearing.

CITIZENS TO BE HEARD

Mayor Taylor called upon the citizens registered to speak under Citizens to be Heard.

Mark Perez spoke of concerns with public safety and noted the businesses operating without the proper Hazmat Permits. He noted concerns with DPT Laboratories, AGE Refinery, and Kimberly Clark.

George Benavides stated that he was a targeted individual that had been implanted and mentioned the many individuals that were being tortured for no probable cause.

Nazirite Ruben Flores Perez stated that he was supportive of the City's efforts to address Panhandling and requested that the Ordinance regarding same be carefully drafted.

Rhett Smith mentioned the Department for Peace and introduced Patricia Castillo of the Peace Initiative. He asked if the City of San Antonio utilized Military Equipment to control crowds. Ms. Castillo noted concerns with the elimination of the SAPD Victims Advocacy

Office and spoke of their great work for the community.

Antonio Diaz requested that the City of San Antonio approve a Resolution recognizing October 12th as Indigenous Peoples Day. He stated that citizens should be able to propose a Resolution to the City Council. He noted that the City of Seattle had approved a Resolution regarding same and that the State of Texas would follow suit.

Faris Hodge, Jr. submitted written testimony expressing concern with the \$690,000 with Selrico Services. He referenced the Ordinance that requires drivers to have insurance coverage. He highlighted the DWI Checkpoints requested by SAPD and wrote that it was time to pay the City Council a Living Wage. He expressed concern that SAWS had too many projects operating at the same time. He asked that other options be reviewed before banning the use of plastic bags.

RECESSED

There being no further discussion, Mayor recessed the meeting at 7:09 pm. She announced that the meeting would resume September 11, 2014 to address the Sustainability Budget Work Session at the conclusion of the Regular City Council Meeting.

APPROVED



IVY R. TAYLOR
MAYOR

ATTEST:



LETICIA M. VACEK, TRMC/MMC
CITY CLERK