

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



**FINAL
Meeting Minutes
City Council Special Session**

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

Tuesday, August 19, 2014

2:00 PM

Municipal Plaza Building

The City Council convened in a Budget Work Session in the B Room. City Clerk Leticia Vacek took the Roll Call with the following Councilmembers present:

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 Departments. [Sheryl Sculley, City Manager; Maria Villagomez, Director, Management and Budget]
 - A. Transportation and Capital Improvements
 - B. Debt Service Plan

A. TRANSPORTATION AND CAPITAL IMPROVEMENTS

Mike Frisbie highlighted the Mission of the Transportation and Capital Improvements (TCI) Department. He indicated that CIMS and Public Works Departments had been combined to form TCI. He reported that there were over 4,000 miles of streets that includes Pavement Markings, Bike Lanes, Alleys, Signalized Intersections and Traffic Signs. He

stated that there were also many Bridges, Medians, Channels, and Rights of Way that the Department was responsible for. He discussed the purpose of the Advanced Transportation District (ATD) Fund established in 2005 to increase mobility, reduce traffic congestion, and improve neighborhood connectivity. He reported that there was a Budget Recommendation for an additional \$15 Million to the Street Management Program that will allow them to keep more streets in good condition and get others up to that level. He spoke of Pothole Repairs and the different techniques involved. He discussed the Pavement Management System that provides a Pavement Condition Index (PCI) Rating for every street in the City. He elaborated on the Storm Water Management Program, citing the importance of drainage. He cited a major investment that was made Citywide on the Traffic Signal System to replace the computers at the intersections and to enhance the Traffic Management Center at the Transguide Facility at Loop 410 and I-10. He discussed the Six-Year Capital Improvement Budget and provided an update on the 2012 Bond Program regarding the projects that have been completed or are near completion.

Councilmember Viagran inquired of the standards required for the Contractors performing work on City Projects. Mr. Frisbie responded that they have standard specifications that the Contractors are required to follow. He stated that part of the General Contractor's job is to ensure that their Sub-Contractors are performing quality work. Councilmember Viagran commended TCI for utilizing funds that had been previously designated for Alley Ways and finding more efficient use of these funds. She asked of the Street Maintenance Teams. Mr. Frisbie reported that they have 14 two-person crews that handle all the Pot-Hole Repair Requests on a daily basis, and four crews that handle the Base Repairs. Mr. Frisbie discussed Sidewalks in more detail, and explained that the City Code requires the Property Owner to maintain the Sidewalk. He referenced the proposal to designate funds for dilapidated Sidewalks that need to be replaced.

Councilmember Nirenberg asked if Design-Build was a method that could be employed. Mr. Frisbie stated that the Design-Build Method creates some benefits and is an option for some of the larger projects. Councilmember Nirenberg stated that the IMP Schedule was very instructive for Residents, but not entirely user-friendly. He suggested adding visuals to go along with the IMP Schedule and inquired whether the \$15 Million from the IMP has been allocated toward projects. City Manager Sculley responded that it would be allocated based on the decision of the City Council but staff has recommendations regarding which projects could get moved up in the Program. She confirmed that they would provide a list of these projects to the City Council. Councilmember Nirenberg inquired whether the City has considered painting all of the Bike Lanes green noting that it would help with safety issues. Mr. Frisbie acknowledged that it was a great idea and stated that they would look into the projects this could be applied to.

Mr. Frisbie spoke of the Right of Way Management Group's efforts in ensuring that all

requests to access the Right of Way go through a process so that Utilities such as Time Warner and AT&T can view the City's IMP. He explained that the Utilities program their infrastructure improvements ahead of or in coordination with the Bond Projects. He noted that the City requires the Utilities to resurface the street or curb if they have to fix a line break, gas leak, or any other issue that may arise.

Councilmember Nirenberg spoke of the success of Proposition 1 and Proposition 2 that are related to Linear Creekways and Edwards Aquifer. He asked when this would be brought to the Voters. Mrs. Sculley informed the City Council that this could be a topic for the May 2015 General Election. She suggested a B-Session to discuss Propositions 1 and 2 to determine how they should move forward.

Councilmember Lopez spoke of the work performed on roads by the Texas Department of Transportation (TxDOT). He cited an issue with work completed on Culebra Road that resulted in the misalignment of the Connectors. He stated that TxDOT notified the City that the Islands on the roads were the City's Responsibilities. He inquired what was being done to align the roads. Mr. Frisbie replied that they were meeting with TxDOT on a monthly basis regarding Project Coordination. Councilmember Lopez commented that coordination and informing the Public about what is to be expected was important. In response to Councilmember Lopez, Art Reinhardt explained that it is the City's Responsibility for conveyance of waterways, and that once the grass is 24 inches, there are concerns about how the water will flow through Drainage Channels. Councilmember Lopez spoke of Pedestrian Islands and inquired of the criteria utilized in regard to Intersections. Mr. Frisbie replied that they look at a Corridor Analysis of the Intersection and the Land Uses to view the Pedestrian Patterns. He stated that they could retrieve information from the Accident Record System to take a holistic view of the area. Councilmember Lopez encouraged Staff to designate funds to provide safe access for the community.

Councilmember Gallagher suggested that the City Policy that requires Property Owners to be responsible for Sidewalk Repairs be reviewed. Mr. Frisbie acknowledged that it is a Policy that could be discussed further and stated that they were allocating some Funds to begin looking into dilapidated Sidewalks.

Councilmember Bernal spoke of the progress in District 1 and the proposed Bike Lanes that were included in the Master Plan. He discussed the issue of the deteriorating Sidewalks, noting that there were District 1 Residents willing to repair the Sidewalks in front of their home themselves, but the process was difficult. He suggested finding a way to streamline the process. He inquired whether the installation of Speed Humps was part of the Budget. Mr. Frisbie acknowledged that it was part of the overall General Fund Category of the Budget. Councilmember Bernal inquired about Street Lighting where no Streetlights existed or needed repair. Ben Gorzell informed the Council that there were over 78,000

Streetlights. He stated that now that LED has evolved and the prices have decreased, they have an opportunity to pilot the LED with CPS to deploy same in neighborhoods.

Councilmember Krier cited an incident in his District whereby a child was killed crossing the street at the beginning of the School Year. He expressed his gratitude to the Staff responsible for redesigning the School Zone Safety around the Elementary School where the incident took place. He inquired about the School Zone overhauls occurring throughout the City. Mr. Frisbie replied that approximately 50 School Zone areas are going through a major overhaul by increasing safety in those Zones. In response to Councilmember Krier, Mr. Frisbie explained that the network of Freeways is TxDOT's responsibility. He indicated that over the past 6 months, they have been working with the TxDOT's District Engineer with regard to maintenance.

With regard to Advanced Transportation District (ATD) Funds, Mrs. Sculley stated that the State collects and distributes the funds. She indicated that 25% was designated for the City of San Antonio, which equated to approximately \$15 Million this year. She noted that a majority of ATD Funds were spent on the Sidewalk Program, and overall; ATD Funds were used for Sidewalks, improving Intersections, and Debt Service on their Signalization Program that was initiated 6 years ago.

In response to Councilmember Krier, Mrs. Sculley explained that they recommended a Stormwater Fee increase two years ago, but the City Council had recommended that a study be conducted instead. As a result, the City Council approved money in the Budget to hire a Consultant that specializes in Impervious Coverage. She indicated that there would be more conversation about this matter before a new methodology was implemented.

Councilmember Aguirre-Rodriguez asked of the Seeling Channel Project. Mr. Frisbie stated that they were about to complete Phase I, but acknowledged that the goal was to take it as far as they could as it would require a future project to finish out. Additionally, he stated that they were moving into the Modified Asphalt Treatment with regard to alleys. He reported that they were finalizing the Infrastructure Management Program in coordination with the District Offices.

Councilmember Viagran asked of coordination on Transportation Efforts. Mr. Frisbie confirmed that there is close coordination with VIA with regard to Transportation. He reported that the members of the Metropolitan Planning Organization (MPO) had jointly funded a Citywide Strategic Plan and TxDOT, VIA, Bexar County, and other regional cities would be a part of it.

Councilmember Toney spoke of the lighting deficiencies in District 2 and inquired when the LEDS would be deployed. Mr. Gorzell responded that that they were working with

CPS to deploy and would take approximately six months or so to implement. He stated that they replaced lights in the Major Thoroughfares with LEDS, and now they would like to focus on the neighborhoods.

Councilmember Saldaña discussed the issue of Stormwater Fees. He acknowledged that he had wanted the Fee raised to ensure that the medians and channels were mowed when it was first proposed. He expressed concern that the discussion had been paused and encouraged staff to bring the issue forward through a public process.

Councilmember Gonzales cited the pedestrian fatalities that have occurred in District 5 and the importance of safety. Mr. Frisbie reported that they were proactively looking at what could be done ahead of time. He stated that when an accident occurred, experts were on site immediately to address the issue.

Councilmember Bernal spoke of the streets in older parts of town needing major repairs. Mr. Frisbie stated that some of these projects are too big for IMP Projects, but acknowledged there could be a way to group them in order to be addressed.

Mayor Taylor stated she was pleased that they would be including \$15 Million to boost the Street Maintenance Budget because it is one of the main issues heard from Constituents. She noted that it was important to continue the discussion regarding Sidewalks and how they can do things differently. She suggested looking into how other Cities address the issue of the Property Owner having to maintain the Sidewalks on their properties. She acknowledged that there were still many unmet needs in the community that confirms the need for more revenue. She indicated that she looked forward to continue the discussion related to the Stormwater Fee and the importance of communicating the rationale. She thanked staff for the presentation.

B. DEBT SERVICE PLAN

Ben Gorzell delineated the types of debt issued that include: General Obligation Bonds, Certificates of Obligation, Tax Notes, and Revenue Debt. He discussed the Outstanding Debt as of September of this Fiscal Year. He noted that the biggest category is the Property Tax supported Debt which is under \$1.5 Billion. He acknowledged that there were some legal limitations on how much Property Tax supported Debt that the city could incur. He reported that the State Comptroller's website "Tell the Truth Texas" outlines comparisons of Cities/Counties and listed San Antonio with having the highest Debt per Capita within the State. He confirmed that staff responded to this website because one cannot compare other cities when San Antonio owns CPS Energy. Mrs. Sculley added that it was misrepresentative of the City's Debt and noted that the Comptroller had revised their website.

Mr. Gorzell discussed Bond Ratings and explained that every time Debt is issued in the Open Financial Markets, San Antonio gets rated. He reported that the Property Tax Supported Debt is a AAA Rating with all 3 Major Rating Agencies which was the highest rating any city could receive. He stated that Moody's had placed the City on Negative Outlook but they had seen improvement in the City's Financial Position. He noted that Moody's would like to see the city sustain that positive trend going forward before they consider removing the Negative Outlook Status. He stated that they look at each of their maturities and try to determine ways to save money by going back to the Market to refinance at a lower rate. He confirmed that they have planned Bond Programs for 2017 and 2022 and provided a historical overview of past Bond Programs.

Councilmember Nirenberg stated that with regard to the State Comptroller's Website, he was pleased that the issue been clarified. He requested that the City send out communication that would be helpful for residents who have asked questions related to the Debt Service. Councilmember Nirenberg asked of the concern from Moody's. Mr. Gorzell replied that Moody's was concerned that the City had been drawing from the Fund Balance. He stated that although the Fund Balance was reappropriated every year, Moody's sees that as declining. He noted that they were able to get the Fund Balance back to \$190.8 Million and Moody's would like to see that continue. Councilmember Nirenberg inquired whether the figures provided in the Debt Management Plan took into account conservative speculation about interest rates. Mr. Gorzell replied that they were conservative projections, but they monitored and updated the plan annually due to changing conditions.

Mr. Gorzell informed the Council that at the Investment Committee Meeting, they discussed their Investment Portfolio Rates that are at .26%. He noted that they also have very low rates on the Long-Term Debt and expect that these will shift over time. He stated that they would continue to provide updates as they get closer to decision points such as the 2017 Bond Program.

In response to Councilmember Saldaña, Mr. Gorzell spoke of the FY 2014 New Issuances and Refunding Bonds. He noted that the General Improvement Refunding Bonds, Series 2014 were refinanced and the savings totaled \$6.7 Million in Net Present Value.

Councilmember Gallagher expressed concern with Moody's Ratings for the city. Mr. Gorzell explained that several years ago when they first received a Negative Outlook, they looked at Cities in terms of their relation to the Federal Government. Since the Federal Government was downgraded, San Antonio was also downgraded due to their linkage with regard to the amount of Federal Funding it received. Although the Federal Government was removed from Negative Outlook, the city was not and Moody's cited a slight departure from credit fundamentals. Mr. Gorzell indicated that they had met with Moody's twice and

they had expressed concern about the General Fund Balance being drawn on every year. He stated that now that Moody's has seen the city's enhanced Financial Policies, they want to ensure that the city will sustain that. Mrs. Sculley added that Moody's was aware that the city was addressing the issue that 2/3 of the General Fund was used for Public Safety Expenses.

Mayor Taylor thanked staff for the presentation.

RECESSED

Mayor Taylor recessed the meeting at 5:00 pm and announced that the meeting would resume at 6:00 pm for the Delegate Agency Public Hearing.

RECONVENED

Mayor Taylor reconvened the meeting at 6:00 pm and addressed the Delegate Agency Public Hearing.

The City Clerk read the caption for Item 2:

2. Public Hearing for Delegate Agencies funded through the FY 2015 and FY 2016 Consolidated Funding Process for Human and Workforce Development Services. [Gloria Hurtado, Assistant City Manager; Melody Woosley, Director, Human Services]

Melody Woosley, Human Services Director noted that at the recommendation of City Council, the City was holding two Public Hearings to provide Delegate Agencies with an opportunity to advocate for their Proposals. She noted that all 76 organizations submitting Proposals were notified of their scheduled Public Hearing Date along with guidelines for presenting on their Applications.

Ms. Woosley provided background information on the Request for Proposals (RFP). She noted that the City Council had approved a total of \$20.4 Million in Delegate Agency Funding for FY 2015 to 56 Agencies and that the allocation was broken into 4 Service Categories. She reported that the City Council had discussed the RFP at several meetings and that the Department coordinated various community outreach events prior to the closing of the RFP on April 23, 2014. Ms. Woosley stated that a total of 152 Proposals were submitted and that the Review Committee took into consideration things such as: Merits of the Proposal, Agency's Past Performance, and Alignment of the Program with Council Priorities and Policies. She noted that two changes for FY 2015 included redirecting \$1.2 Million in funding for EastPoint and designating \$250,000 for funding new agencies. She highlighted the types of services purchased as part of the RFP and noted that the City did

not seek services for Early Childhood Professional Development and After-School Challenge Initiatives.

Ben Gorzell, Chief Financial Officer, provided background information on the RFP to include funding allocations by category, contract terms, solicitation criteria, selection process, and the Communication Blackout Policy. He explained that SBEDA Requirements and Preference to Local and Veteran-Owned Small Businesses were waived due to funding allocations being derived from various funding sources.

Mr. Gorzell detailed meetings conducted by the Evaluation Committee to determine solicitation criteria, scoring methodology, and briefings to the City Council. He reported that this year, two public hearings were scheduled in order to allow Vendors the opportunity to speak to the City Council without violating the City's Communication Policy. He stated that a total of 152 Proposals were submitted by 76 Agencies and that 12 Evaluation Teams were assembled to review and score the Proposals. He provided a Project Timeline and noted that the RFP was scheduled for discussion at the September 9, 2014 High Profile Contracts Committee Meeting with consideration by the full City Council on September 18, 2014.

Mayor Taylor opened the Public Hearing and called upon the Delegate Agencies registered to speak.

Miriam Elizondo, Executive Director of the Alamo Area Rape Crisis Center, highlighted the two Proposals submitted and spoke of the services offered and number of individuals served.

Rick Varner, Director of the Scobee Education Center located at San Antonio College, spoke of its S.T.E.M. and College Readiness Programs. He noted that funding would be used to support the Scobee Education Center which was scheduled to open on Friday, October 3, 2014.

A Representative with the Alamo Public Telecommunications Council (KLRN) spoke in support of its Kinder Readiness and Reading Programs. She highlighted the benefits provided to children and their families.

Steve Trevino highlighted how the services provided by Any Baby Can taught him how to interact with his autistic son and requested Case Management Services be funded at the FY 2014 level. Dawn Dixon stated that the Agency also submitted a proposal for its Prescription Assistance Program.

Karla Aguilar, Representative of the American Indians in Texas at the Spanish Colonial Missions, spoke of its Rites of Passage Program. She noted that the Program instilled traditional Native American Values to boys between 18 and 21 years of age.

Michele Mayfield Durham and Board Members from the Beats AIDS Coalition Trust presented its Mission Statement, services offered, clientele demographics, and information on the 8 Proposals submitted. Ms. Durham highlighted the success of its Case Management Program.

Deborah Valdez, Executive Director of the Bexar County Family Justice Center, highlighted the Victim Empowerment Counseling Program that provides counseling services to victims of Domestic Violence and their families.

Erik, a Participant in the Big Brothers and Big Sisters of South Texas Program highlighted the friendship and support received from the Mentorship Program. Denise Barkhurst added that a number of students were waiting to be matched with a Mentor.

Kellen McIntyre, Executive Director of Bihl Haus Arts, highlighted a study which addressed cognitive improvements to Seniors participating in the Go Arts Program.

A Representative with Boys & Girls Clubs of San Antonio noted services offered to children after school and during the summer. She added that participants scored higher on cognitive tests than non-participants.

A Representative with Boys Town Texas, Inc. noted that the organization assisted over 6,000 child abuse victims last year. She stated that child abuse was not decreasing despite Child Abuse Prevention being included in SA 2020 Indicators.

A Representative with Catholic Charities highlighted the services and number of clients served. He noted that the Agency was opening more Centers in order to serve the growing demand.

A Representative with Child Advocates of San Antonio (CASA) noted that this was the first time the agency had requested funding from the City of San Antonio. He stated that the Agency recruited and trained Volunteers to assist abused children in Foster Care.

Kim Abernathy, CEO of ChildSafe, noted that they were the only agency in San Antonio that provided trauma focused therapy and crisis intervention to children. She requested a funding allocation of \$75,000 for its Client Services Program.

Doug Barnes, Board President for Christian Senior Services, requested continued financial support for its Senior Companion Services Program. He highlighted the types of services offered and number of clients served.

Carol Lockett, Executive Director of Chrysalis Ministries, spoke of the services offered to formerly incarcerated individuals and their families. She stated that funding would allow the organization to hire a staff member to assist clients with job readiness, secure housing, recover from substance abuse, and seek mental health counseling.

Joy Cutler with City Year highlighted services offered last year and those planned for FY 2015. She noted that the mission of the group was to keep students in school and on track to graduate.

Dr. Rufus Samkin, Executive Director of Communities In Schools, highlighted the services offered to students at-risk of dropping out of school using a case management model.

Jorge Alonzo Perez, Founder and CEO of Dance Therapy – Dance your Depression Away, spoke of the benefits of dance as therapy. He added that services were offered at Senior Centers.

Brandy Ruiz with Dress for Success highlighted her personal story and stated the organization changed her life for the better. She added that the assistance she received has allowed her to find full-time employment and enroll in college.

Carolyn Heath with Each One Teach One requested FY 2015 funding as the organization was the only agency in San Antonio with the mission of teaching Adult Literacy. She stated that the \$50,000 requested would serve additional adult learners.

Christine Drennon, President of Ella Austin Community Center Board of Directors requested reconsideration of the decreased funding allocations. She noted they offered holistic services to children and their families and noted successes as increased test scores of students in its Youth Program. Anthony Hargrove, Executive Director of Ella Austin Community Center requested that the Center be funded.

Cory Weber with Family Endeavors spoke of the services offered by its Permanent Housing Program. He noted that the goal of the Program was to stabilize the family structure by offering single mothers with mental disabilities counseling and job training.

Nancy Hard, President of Family Services Association, noted successes including improved academic readiness, increased high school graduation and college entrance rates, as well as improved family stability and financial security. She read a letter of support from Dr. Federico Zaragoza, Vice Chancellor of Economic & Workforce Development for Alamo Colleges.

A Representative with Family Violence Prevention Services spoke of the negative impact of Domestic Violence on family and explained how other crimes manifested as a result of violence. She stated services are offered to adults and children at its main facility and Haven for Hope.

Rose Perez, CEO of Girl Scouts of Southwest Texas stated that increased participation required the need for the organization to secure new facilities. She added that funding would assist in providing quality family activities to girls and their families.

Jill Oettinger, CEO of Good Samaritan Center of San Antonio, noted that the Agency submitted three Proposals for funding. She highlighted partnerships developed for the College and Career Readiness and Senior Services Programs. She reported that they were seeking National Certification for the After School Programming; while the Senior Center was the only National Accredited Senior Center in South Texas.

Clarke Mosley, Director of Workforce Development for Goodwill Industries spoke of the benefits of the Learn Why You Earn Program and mentioned that participants typically do not qualify for other Programs. He noted that participants are ensured employment for at least six months after course completion.

Doug Watson, Executive Director of the Healy-Murphy Center spoke of their Youth Training Project. He noted that the Program assisted Drop-outs and At-Risk Youth by offering literacy and health care services, career and college readiness, case management, and on-site day care. He reported that Healy-Murphy was one of six licensed GED Testing Facilities in the city.

Mayor Taylor called on the citizen registered to speak.

Fidel Castillo with the Boxing Advocates Program requested that the city create a Sobriety Center to monitor the use of drugs and physical abuse by youth in the justice system.

Mayor Taylor thanked everyone for attending the meeting and closed the Public Hearing.

ADJOURNMENT

There being no further discussion, Mayor Taylor adjourned the meeting at 7:42 pm.

APPROVED



IVY R. TAYLOR
MAYOR

ATTEST:



LETICIA M. VACEK, TRMC MMC
CITY CLERK