

**CITY OF SAN ANTONIO
OFFICE OF THE CITY MANAGER**

TO: Mayor and City Council

FROM: Erik J. Walsh, City Manager 

COPY: Executive Leadership Team

SUBJECT: CITY COUNCIL GOAL-SETTING SESSION RESULTS REPORT

DATE: July 19, 2019

This correspondence transmits the summary report of the City Council Goal Setting Session for the development of the FY 2020 Proposed Budget.

On June 21, the City Council Budget Goal Setting Session for the FY 2020 Budget was held at the Henry B. Gonzalez Convention Center. The purpose of this session was to obtain City Council policy direction for the development of the FY 2020 Budget and the FY 2021 Budget Plan.

Linda Ximenes and Sonia Jimenez, with Ximenes & Associates who facilitated the session, prepared the attached report. The report summarizes the budget priorities for the FY 2020 Budget: Affordable Housing, Strong Families and Children, Streets, Police, and Property Tax Relief. The policy direction received at this session along with the community input from over 11,000 residents with over 8,600 surveys completed will be used to develop next year's budget.

One of the City Council's priorities was executed when the City Council approved a property tax exemption of \$5,000 for residential property owners on June 24, 2019.

Since the Goal Setting Session, the City team has been focused on developing the proposed budget utilizing the guidance received at this session. I have been meeting with each of the departments to review our alignment, funding and recommendations. The Proposed Budget will be presented to the City Council on August 8.

Thank you for your time, attention, and input at the budget goal setting session.

ATTACHMENT



MEETING NOTES
CITY COUNCIL BUDGET WORK SESSION
HENRY B. GONZALEZ CONVENTION CENTER, CANTILEVER ROOM
JUNE 21, 2019
9:00 A.M. – 4:30 P.M.



Each year, the City of San Antonio conducts a budget goal setting session. The session is hosted by the City Manager with the Mayor and City Council participating and executive leadership and staff supporting the effort. The City’s fiscal year runs from October 1st of each year to September 30th of the following year. The information presented below represents the work session for fiscal year 2020 (October 1, 2019 – September 30, 2020) and planning for fiscal year 2021. The session was facilitated by Ximenes & Associates, Inc.

DESIRED OUTCOMES FOR THIS WORK SESSION:

- Concur on three to six policy issues to serve as a guide for the City Manager in the preparation of the FY 2020 proposed budget and the FY 2021 budget plan.
- Identify and agree on a set of operating guidelines for working together.
- Begin to deliberate together and understand the different perspectives represented by the council members.
- Feel confident in the direction provided the City Manager to develop the budget.
- Establish the beginnings (and continuation) of a good working relationship among Council members.

SUMMARY OF OUTCOMES

The budget session resulted in an agreed upon guidelines for working together (see Reaching for Higher Ground section) and key budget priorities. The following key priorities were identified by the Mayor and City Council during the course of the day. These priorities will be used to guide staff in development of the FY 2020 Budget.

- Affordable Housing
- Streets
- Strong Families and Children
- Police
- Property Tax Relief

AGENDA FOR WORKSESSION – FRIDAY, JUNE 21

SETTING THE STAGE – SONIA JIMENEZ, XIMENES & ASSOCIATES

Ms. Jimenez reviewed the desired outcomes for the session (see above) and the agenda. The overall process for the day included the Reaching for Higher Ground consensus workshop followed by a review and discussion of eight of the budget policy issues. Ms. Jimenez then turned the session over to Linda Ximenes to facilitate the consensus workshop.

REACHING FOR HIGHER GROUND – LINDA XIMENES, XIMENES & ASSOCIATES

Linda Ximenes led the facilitated team building exercise, Reaching for Higher Ground (RHG). After identifying their highest aspirations for working together and the values and principles that would support achieving those aspirations, the Mayor and Council members were asked to think of behaviors that would reflect those values and principles. The table on the next page shows the collective responses to the question on each of the column headers.

What is the best way to work together as we prepare to embark on our journey together?

Engage Yourself	Be All Ears	Follow the Golden Rule	Recognize We Are a Team	Just Do It - Better
Attentiveness when colleagues speak	Listen to understand	Communication without combativeness	Promote a team mentality	If it ain't broke... Improve it!
Participate in meeting	Listen: one mouth, two ears, listen to learn	Don't be a jerk	Respectfully bond on a united front!	Sharing ideas – Be creative. Don't shoot down ideas.
Interpreting as we go along – i.e., what did we learn from that presentation?	Active listening now	Adopt an open dialogue	Be able to compromise	Understanding the needs of other districts
Use time wisely	Authentic conversation – be sincere	Accept criticism – don't take things personally.	Remain open to compromise.	Do not try, just do-Yoda
Share yourself – Collaboration builds trust.	No lectures or proselytizing	Don't take things personally.	Please value teamwork	Shoot for the stars.
Engage in meaningful dialogue.	Try to learn, not teach.	Rely on each one's unique strength!	Empower the group	Re-imagine it- all things
	Think before you talk. Your words are powerful. Your thoughts are golden.	Respectful dialogue now	Work with each other to understand!	Strive for excellence.
	Allow one to have a complete thought process!	Can agree to disagree respectfully	Celebrate ideas that are better than yours	
		Be professional with all	Build consensus now	
		Patience right now	Try to come to consensus.	
		Assume the best in others		

BUDGET DISCUSSION – POLICY AREAS

Each section below represents the discussion and outcome for each of the policy areas. For each policy area, the Mayor and Council members were asked if they had any clarifying questions. The questions were answered by the respective department director or executive, with support from Deputy City Manager Maria Villagómez. Once clarifying questions were addressed, Ms. Jimenez facilitated the discussion about the particular policy area. At the end of the day, the Mayor and Council members accepted all recommendations.

FINANCIAL POLICIES – BEN GORZELL, JR, CHIEF FINANCIAL OFFICER

Conclusion on Financial Policies

The Mayor and Council support the proposed updates to include:

- Maintain current financial policies
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provides recommendations on whether to adjust the Property Tax Rate.
- Annually review Property Tax Relief with focus on homeowners.
- Annually review and periodically adjust fees and charges to provide for cost recovery, inflation, and/or alignment with comparable charges.

Additional budget request related to Financial Policies

1. City Council wants to explore considerations for renters as it relates to Property Tax Relief.
2. City Council suggests rewriting the financial police as it relates to adjusting fees to clearly express the possibility of reducing, not just increasing, fees and charges.

PROPERTY TAX RELIEF - BEN GORZELL, JR, CHIEF FINANCIAL OFFICER

Conclusion on Property Tax Relief

The Mayor and Council agreed to get additional information and move forward on the homestead exemption. Additional information was presented at the end of the other budget policy discussions. The City Council agreed to vote on implementation of a Homestead Exemption during a special session to be held on Monday, June 24, 2019 at 5 p.m.

STREETS, SIDEWALKS, AND TRANSPORTATION – RAZI HOSSEINI, PE, RPLS, INTERIM DIRECTOR

Conclusion on Streets, Sidewalks, and Transportation

The Mayor and Council agreed to the recommended Street Maintenance Program that involves:

- 50% of Street Maintenance Program allocation is based on district's street condition and 50% is based on the district's street network.
- Annual Street Maintenance Program – projects completed within 12 months.
- Two-year Reconstruction Program – design begins in year, construction begins in year 2, and projects are completed within 18-24 months.

Additional budget requests for Streets, Sidewalks and Transportation

1. The Mayor requested ConnectSA as a future council agenda item to be brought forth in August or September.

2. City Council requested that as the Street Maintenance Program is implemented, the City incorporates elements of traffic calming in the projects

STRONG FAMILIES AND CHILDREN – COLLEEN BRIDGER, PHD

Conclusion on Strong Families and Children*

The Mayor and City Council support the recommendations for Year 1 Plan that includes:

- Establish a Trauma Informed Care certifying entity
- Implement Triple P – Positive Parenting Program
- Implement Too Good for Violence school curriculum
- Implement Mental Health Urgent Care Clinic

Additional budget requests for Strong Families and Children

1. Identify other areas of funding besides the General Fund or realignment of funds to help fund Strong Families and Children
2. Funding for additional homeless programs and more information on the above measures will be developed during the summer. Specifically, developing funding alternatives for homeless programs over the summer to include revenue changes in order to direct additional funding to programs and leveraging other public agency funding.

AFFORDABLE HOUSING – LORI HOUSTON

Conclusion on Affordable Housing

The Mayor and City Council supports the recommendations presented to include:

- Focus on affordable housing with 30% to 50% of area median income (AMI)
- At least maintain the funding for Affordable Housing at the level funded in FY 2019.

Additional budget requests for Affordable Housing

1. Supportive of continuing the business plan on coordinating the housing system with the executive position.
2. Identify other funding sources and ideas that can be directed at and supportive of Affordable Housing.

PUBLIC SAFETY POLICE – CHIEF WILLIAM McMANUS

Conclusion on Public Safety Police

The Mayor and City Council supported the proposed FY 2020 SAPD Staffing Priorities with Additional SAFE Officers and Crisis Response Team as most important:

- Additional SAFE Officers
- Crisis Response Team Enhancement
- Additional patrol officers
- Creation of Neighborhood Nightlife Corridors with additional sworn positions

Additional budget requests for Public Safety Police

1. Clarify the process to help facilitate areas that may need additional lighting and areas where the lights are not working.
2. Potentially identify additional Neighborhood Nightlife Corridors before the corridors are finalized.

PUBLIC SAFETY FIRE – CHIEF CHARLES HOOD

Conclusion on Public Safety Fire

The Mayor and City Council supported the proposed improvement to add one ladder company to the department's resources.

CIVILIAN COMPENSATION – LORI STEWARD, HUMAN RESOURCES DIRECTOR

Conclusion on Civilian Compensation*

The Mayor and City Council supported the proposed five year forecast to include:

- Step increases of 2% to 4%
- Performance pay between 0 and 4%
- 1% cost of living adjustment

*This topic was not presented in B Session. The Mayor and Council were provided the information and proposals via a memo dated June 19, 2019.

Additional budget request for Civilian Compensation

1. Consider a higher cost of living adjustment

PRIORITIZING BUDGET POLICY ISSUES

8 POINTS EXERCISE – WHAT IS YOUR FIRST PRIORITY?

Following the discussion on the various budget policies, Ms. Jimenez presented the Mayor and Council with the eight issues that were considered during the session. She asked them to consider the issues and choose the one issue they would fund if no other resources were available. The Mayor and Council members showed their number one preference as follows:

Top Priority for City Council

- Streets, Sidewalks, and Transportation – 4 members indicated it was the top priority
- Property Tax Relief – 3 members indicated it was the top priority
- Strong Families and Children – 2 members indicated it was the top priority
- Affordable Housing – 2 members indicated it was the top priority

TOP THREE PRIORITY POLICY ISSUES

Following the 8 points exercise, the Mayor and each Council member presented their top three priorities. Below are the top priorities identified by the Mayor and Council members.

	Financial Policies	Property Tax Relief	Streets	Affordable Housing	Strong Families & Children	Public Safety - Police	Public Safety - Fire
Mayor			X	X	X		
CD 1			X	X	X		
CD 2			X	X		X	
CD 3			X		X	X	
CD 4		X	X			X	
CD 5			X	X	X		
CD 6		X	X			X	
CD 7			X	X	X		
CD 8	X		X		X		
CD 9			X	X		X	
CD 10		X	X			X	X

In total, the policy issues were prioritized and are noted as shown below:

- 1) Streets, Sidewalks, and Transportation
- 2) Affordable Housing
- 3) Strong Families and Children, and
- 4) Public Safety Police

*Council Aide Compensation was brought forth by Council Member Treviño, who requested it be considered as part of the Civilian Compensation package. The City Manager will bring the topic of council aide compensation to a future session to present information and allow for discussion. It was correctly noted that it would be premature to make it a priority.

WRAP-UP AND ADJOURN

Following the budget prioritization discussions, Ms. Jimenez facilitated a reflection for the day. The reflection was followed by closing remarks from the City Manager and the Mayor and the session was formally adjourned.