

City of San Antonio



Minutes

Audit Committee

2023 – 2025 Council Members

Chair: Phyllis Viagran, District 3

John Courage, District 9 | Marc Whyte, District 10

Citizen Representative Dr. Judy Trevino and Philip M. Harris

Tuesday, May 13, 2025

10:00 AM

Council Briefing Room

The Audit Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 10:02 a.m. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Phyllis Viagran, *Chair*
John Courage, *Member*
Marc Whyte, *Member*
Philip Harris, *Citizen Member*

Members Absent: Dr. Judy Trevino, *Citizen Member*

Approval of Minutes

1. Approval of minutes from the April 8, 2025 Audit Committee Meeting

Councilmember Courage moved to Approve the minutes of the April 8, 2025, Audit Committee meeting. Citizen Member Harris seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris

Absent: Trevino

Public Comments

Betsy Spencer with Holtz/Adams Construction spoke in support of Item 7 and selection of their client noting that the City had delayed its payments to their client in the past and requested that the City ensure prompt payment to its vendors, particularly Small, Minority-owned local businesses.

so the City could achieve its affordable housing goals more quickly.

CONSENT AGENDA

Final Internal Audit Reports

- 2. **Acceptance of the Office of the City Auditor Report AU24-018 San Antonio Metropolitan Health District - Air Monitoring Programs [Buddy Vargas, City Auditor]**

Councilmember Whyte moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

- 3. **Acceptance of the Office of the City Auditor Report AU25-029 Audit of San Antonio Police Department - Mark43 System [Buddy Vargas, City Auditor]**

Councilmember Whyte moved to Approve on the Consent Agenda. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

ITEMS FOR INDIVIDUAL CONSIDERATION

Pre-Solicitation High Profile Briefings

- 4. **Briefing on the release of a solicitation for multiple on-call contracts to provide marketing and communications services to all City departments in the estimated total value of \$4,600,000 annually for a 3 year term with 2, 1-year renewal options. [Jeff Coyle, Assistant City Manager; Alanna Reed, Director, Communications & Engagement]**

Alanna Reed, Director of the Communications and Engagement Department, presented a description of the project and provided an overview of the solicitation and timeline. She stated that there were currently 77 unique contracts that provided services to City departments; this solicitation was intended to streamline services and provide consistent, efficient services. She noted that all departments had been outreached to determine the need for marketing and communications services Citywide.

DISCUSSION:

Chair Viagran asked how many firms were expected to be selected. Reed indicated that they were targeting 15 small, medium, and large size firms to provide a variety of services. Chair Viagran asked what would be done if there were not 15 respondents. Reed expected over 15 firms to apply as there were already firms reaching out. Chair Viagran expressed concern that smaller firms might have more difficulty with this process and wanted to ensure that

they were not left out. Chair Viagran wanted to ensure that all firms recommended were considered high quality and understood what on-call meant and how they might need to work quickly.

Councilmember Whyte asked why this strategy was being used now. Reed explained that the department was looking at efficiencies and potentially utilizing internal talent instead of contracting out. Councilmember Whyte asked whether all services could be performed internally. The internal communications team did not always have the capacity to perform large marketing campaigns, so it was important to have vendors, according to Reed.

Councilmember Whyte recommended that City Council offices have access to these firms as residents needed information in a timely manner.

Councilmember Courage asked how many departments and vendors were referred to as using these kinds of services. Reed stated that there were 77 unique vendors supporting 143 different department contracts for \$4.6 million annually. She noted that 3-1-1 and Aviation could not use the services and the City Attorneys Office, City Auditor, and the Building and Equipment Services Department did not use these types of contracts. Councilmember Courage clarified that Aviation was excluded because of Federal funding requirements. He asked where the money would be included in the Budget. Chief Financial Officer Troy Elliott commented that every department would need to pay the services out of their Budget and most departments could use the contracts unless there was a Federal or State restriction based on the preference points included in the solicitation.

Chair Viagran announced that the Item was for briefing only, so no action was taken.

5. **Briefing on the release of a solicitation for one contract to manage implementation and system integration for Ariba & S/4 in the estimated total value of \$14,000,000 for a 2 year term with 2, 1-year renewal options.** [Ben Gorzell, Chief of Financial & Administrative Services; Craig Hopkins, Chief Information Officer, Information Technology Services Department]

Craig Hopkins, Chief Information Officer, noted that the project was a partnership between the Information Technology Services, Finance, and Human Resources Departments. Hopkins presented an overview of the SAP Program upgrade platform approach and described it as a re-engineering effort. Hopkins provided a timeline for the procurement of the Ariba platform which was a procurement platform and S/4 which was a finance program platform; both had a two-year timeline for the Request for Proposals (RFP).

DISCUSSION:

Councilmember Courage noted that SAP was being phased out in many cities and asked if the City intended to keep other modules of SAP besides the procurement and finance programs. Hopkins stated that the current SAP environment at the City of San Antonio was primarily for Finance and the suite being upgraded included procurement, the Human Resources Department and the Information and Technology Services Department. Councilmember Courage noted that at least half of larger organizations used SAP but smaller ones used other tools as they cost too much.

Chair Viagran announced that the Item was for briefing only, so no action was taken.

- 6. Briefing on the release of a solicitation for one contract to provide the Public Works Department with construction services for a new Animal Care Services (ACS) Veterinary Hospital and renovations to the existing clinic, a 2022 Bond project located in Council District 5 for an estimated total value of \$12,843,100.** [John Peterek, Assistant City Manager; Razi Hosseini, P.E. Director, Public Works]

Razi Hosseini, Director of Public Works presented an overview of the project and the solicitation.

DISCUSSION:

Councilmember Courage asked why it took two and a half years to get to the point where construction on the project was being bid and noted it took way too long to get projects finished. Hosseini indicated that the timeline included programming and design of the Animal Hospital.

Councilmember Whyte expressed his agreement with Councilmember Courage's comments..

Chair Viagran agreed that some bond projects took longer than they should but noted that it was important to ensure that the hospital was designed properly as it was a highly sophisticated facility that was critical to public health.

Councilmember Whyte asked what steps were being taken to ensure that the project stayed on budget. Hosseini explained that if the bids came in over budget, there would be value-engineering to bring the project within budget before asking City Council for approval. Councilmember Whyte pointed out that prices have risen over time and if it had started sooner, it would have cost less.

Chair Viagran announced that the Item was for briefing only, so no action was taken.

Post-Solicitation High Profile Briefings

- 7. Approval to proceed with scheduling one contract for City Council consideration for Neighborhood and Housing Services Department to provide gap funding to one affordable single, housing development project in the estimated total value of \$1,900,000 for a term based on the development schedule.** [Lori Houston, Assistant City Manager, Veronica Garcia, Director, Neighborhood and Housing Services]

Veronica Garcia, Director of Neighborhood and Housing Services Department (NHSD), presented an overview of the project and the solicitation and noted that services not included in this Request for Proposals (RFP) would be included in another RFP which would be taken separately to City Council.

DISCUSSION:

Councilmember Courage requested explanation of the individuals making the prohibited

campaign contributions that resulted in the disqualification of two firms. Chief Financial Officer, Troy Elliott, reported that one was a treasurer of a board and the other was a board member. Councilmember Courage noted that these were non-profits and unpaid board members. Councilmember Courage asked how many units would be created with this contract and their average cost. Garcia reported that 28 units were expected at an average cost of less than \$200,000 per home.

Councilmember Courage moved to Approve. Citizen Member Harris seconded the motion. The motion carried by the following vote:

Aye: Viagran, Courage, Whyte, Harris
Absent: Trevino

Staff Briefing

8. Briefing on the Fiscal Year 2024 External Financial Audit and Presentation of Related Reports [Ben Gorzell Jr., Chief of Financial and Administrative Services; Troy Elliott, Chief Financial Officer]

Victoria Roeder, City of San Antonio Controller, presented an overview of the audit process and announced that for the seventh year in a row, the City of San Antonio had no Internal Control Findings and no Single Audit Findings this year. Roeder introduced External Auditor Consultant Amanda Eaves who was a partner with the firm Forvis Mazars who presented the results of the Audit in detail and outlined their proposed adjustments as well as requirements to provide notice. Eaves reported that the City of San Antonio's financial statements, policies, and methods were standard.

DISCUSSION:

Councilmember Courage was satisfied with the results but asked Eaves if, after an audit, they heard about fraud or abuse. Eaves stated that was not typical. Councilmember Courage noted that political rhetoric called for a 100% audit of all transactions, however, that was not necessary as the type of audit being conducted found any issues and prevented fraud.

Councilmember Whyte spoke in support of transparency and external audit reviews to ensure integrity.

Chair Viagran commended the staff for addressing issues and was pleased there had been seven years of no findings. Chair Viagran suggested that more staff could help ensure greater accountability.

City Auditor, Buddy Vargas noted that it was unusual for an organization the size of the City of San Antonio to have no findings and it was a testament to the leadership and dedication of the team to excellence and integrity.

Councilmember Courage asked if the audit needed to be accepted and forwarded to City Council. Gorzell explained that the Item was for briefing only and no action was needed. Gorzell thanked the Audit Team and the entire Finance Team for their exceptional work

and commitment to continuous improvement. Gorzell commented that the work had become more complex over time, and this was an excellent outcome.

Chair Viagran thanked the team for their work and announced that the Item was for briefing only, so no action was taken.

Consideration of items for future meetings

Next Scheduled Meeting Date: June 10, 2025

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 11:07 a.m.

Approved

Phyllis Viagran, Chair

*Debbie Racca-Sittre
City Clerk*