

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



**Meeting Minutes  
City Council Budget Work Session**

Council Briefing Room  
City Hall  
100 Military Plaza  
San Antonio, Texas 78205

**2023 – 2025 Council Members**

Mayor Ron Nirenberg  
Dr. Sukh Kaur, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2  
Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4  
Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6  
Marina Alderete Gavito, Dist. 7 | Manny Pelaez, Dist. 8  
John Courage, Dist. 9 | Marc Whyte, Dist. 10

<b>Wednesday, September 18, 2024</b>	<b>2:00 PM</b>	<b>Council Briefing Room</b>
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The City Council convened a Budget Work Session in the Council Briefing Room beginning at 2:10 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

**PRESENT: 11** – Nirenberg, Kaur, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Alderete Gavito, Pelaez, Courage, Whyte

**ABSENT:** None

**ITEMS**

1. Staff presentation on potential amendments to the FY 2025 Proposed Operating and Capital Budget. [Erik Walsh, City Manager; Justina Tate, Director, Management & Budget]

City Manager Walsh announced that the Department of Justice (DOJ) notified the City that a grant was being received and since money had not already been appropriated, we wanted to accept the grant in the Budget and provide for the match. City Manager Walsh stated that five Inner City

TIRZ #11 projects still needed to go before the TIRZ Board but could be expedited.

Justina Tate, Director of OMB outlined the 10 proposed budget amendments which amounted to \$5,012,173 with \$2,512,173 from ARPA and \$2,500,000 from the General Fund. Amendments were as follows:

1. \$1,202,472 over two years to add one Local Government Corporation position to the Mayor's office and City Council Districts 3, 4, 6, 8, and 10.
2. \$600,000 over two years to provide seed funding to support the development of the Center for Health Equity in South Texas (CHEST) to address health disparities on the southwest and East Side of San Antonio.
3. \$1,000,000 in FY 2025 to provide housing assistance for individuals on the verge of eviction or other forms of homelessness (rental assistance, utility assistance, etc.)
4. \$150,000 in FY 2025 for the University of Texas Health Science Center at San Antonio Ricardo Salinas Pediatric Dentistry Clinic.
5. \$400,000 over two years to increase funding for the Cesar Chavez March from \$100,000 annually to \$300,000 annually.
6. \$50,000 in FY 2025 for Seniors in Play which was an increase from \$100,000 to \$150,000
7. \$300,000 in FY 2025 for Urban Tree Canopy
8. \$180,000 in FY 2025 for the Eastside Youth Content Creator Program
9. \$100,000 in FY 2025 for the Crisis Nursery Program feasibility study
10. \$1,029,701 in FY 2026 to be used toward the FY 2026 Budget deficit

#### DISCUSSION:

Councilmember McKee-Rodriguez supported the proposed list of amendments and suggested a 1% one-time bonus for employees earning less than \$85,000. City Manager Walsh suggested that this might impact not only the General Fund, but also those restricted funds. Councilmember McKee-Rodriguez requested an update on the Reproductive Justice Fund and suggested potentially increasing funding for the Program and include in FY 2026. City Manager Walsh stated that this would be heard at a future B Session. Councilmember McKee-Rodriguez thought there was consensus around expanding transportation to the Senior Centers and requested that City Manager Walsh look for other funding sources.

Councilmember Whyte supported the proposed list of amendments but noted that the additional Neighborhood Access and Mobility Program (NAMP) funding was not included and recommended adding \$100,000 to each council district's NAMP Funds and each amendment

could be reduced accordingly.

Councilmember Castillo supported the proposed list of amendments but noted that the UT Health Science Center at San Antonio Ricardo Salinas Pediatric Dentistry Clinic did not have funding for FY 2026 and suggested that the recurring \$200,000 increase for the Cesar Chavez March could be reduced for FY 2026. She noted that at the June 14, 2024, Special Session there was supposed to be an earmark for \$400,000 for FY 2025 but noted there was no money included for the Reproductive Justice Fund. City Manager Walsh stated that was a mistake and no money was included. Councilmember Castillo stressed that the Reproductive Justice Funding had not been disbursed from the FY 2024 allocation and that there was no recurring funding.

Councilmember Castillo supported additional funding for NAMP and suggested a policy discussion around outstanding balances. City Manager Walsh stated that a memorandum was sent including the existing balances and agreed that a policy discussion was needed. Councilmember Castillo suggested looking at the CPS Energy off-system sales to help support a one-time pay increase for employees.

Mayor Nirenberg noted that as of today, there was a total NAMP balance of \$4.1 million and in addition, the Capital Improvement Program (CIP) balance for all council districts was \$11 million which was a total of \$15 million sitting on the shelf so he did not support another \$100,000 per council district. He noted that additionally, on October 1, 2024, every council district would get another \$1 million in CIP and \$550,000 in NAMP. City Manager Walsh stated that there needed to be a policy discussion about NAMP before we put more money into a balance that could be used for the Salinas Dental Clinic or other needs. He commented that some council districts had big projects already planned and recommended that staff clean up the balances to get a true picture of the available unspent balances. Mayor Nirenberg cautioned that there were many capital projects underway, and the construction firms were stretched.

Councilmember Rocha Garcia looked forward to the discussion on the CPS Energy revenues and overall supported CPS using the funding for their infrastructure to help stave off rate increases but was still concerned about property tax issues and the need for funding. She thought there was consensus on increasing employee pay by an additional 1% and providing transportation for seniors.

Councilmember Courage asked if data had been collected regarding the Reproductive Justice Fund to determine needs and requests. City Manager Walsh stated that this would be discussed at the B Session.

Councilmember Alderete Gavito stated that her priority was to increase NAMP by \$100,000 per council district. She supported the seed funding for the Center for Health Equity in South Texas (CHEST) and the Salinas Dentist Clinic, Seniors in Play, Urban Tree Canopy, Crisis Nursery, and the Eastside Youth Content Creator.

Councilmember Viagran supported reducing the Cesar Chavez March to fund the Dental Clinic and expressed concern that going from \$100,000 to \$300,000 was a large jump and wanted to make sure the non-profit could handle it. She was interested in ensuring that the crisis nursery program was on a timeline to get moving noting that the Reproductive Justice Fund was moving

slow. She noted that \$36.6 million was reduced in the City's Budget over two years and EMS fees were being increased to bring in \$5.2 million additional dollars and suggested that the off-system sales from CPS Energy could be used instead of cutting or raising fees. Councilmember Courage commented that the City Manager's memorandum included ARPA and General Fund and wanted assurances that the proposed uses for ARPA funding were allowable under the grant. Villagomez stated that the money was interest earned on the ARPA grant funds and had fewer restrictions. Councilmember Courage asked if other funds could bring back other amendments that were discussed yesterday. City Manager Walsh stated that there was no additional funding for FY 2025 and FY 2026 would still have a deficit even with his new plan.

Councilmember Courage asked the City Attorney if someone could make a motion tomorrow to use some of the CPS Energy revenue to pay for amendments. City Attorney Andy Segovia stated that since we did not know what those numbers were at this time, tomorrow might be premature, however, it did relate to the Budget and the City Council could amend its policy with regard to CPS Energy revenues. Councilmember Courage suggested that the CPS Energy off-system sales could be allocated later. Councilmember Courage asked his colleagues to partner with him on the next gun exchange program.

Councilmember Kaur requested a policy discussion on NAMP and CIP funding to set guidelines that were consistent but also requested more flexibility for the funding to be used for other issues besides infrastructure. She asked if the relocation assistance funding could be reallocated to major/minor rehabilitation programs and suggested that the Neighborhood and Housing Services Department (NHSD) be provided flexibility with amendment 3. She echoed that the Reproductive Justice Fund had taken a long time and she supported more funding for the project. She wanted to ensure that the ARPA Funding would be spent within the grant deadline.

Councilmember McKee-Rodriguez supported reducing the Cesar Chavez March to give \$50,000 more to the dentistry clinic and \$50,000 for Seniors in Play in FY 2026. Councilmember McKee-Rodriguez asked what was happening with CPS Energy off-system sales. City Manager Walsh stated that the City Council would be able to discuss CPS Energy funds in November 2024, however, the money was set by policy to help mitigate future rate increases. He supported increases in NAMP whether it came from new money or from balances. Councilmember McKee-Rodriguez supported more funding for major/minor home rehabilitation, employee bonus, transportation for seniors.

Mayor Nirenberg noted the pause in discussion and asked City Manager Walsh to clarify what he had heard from the City Council and how he might change his recommendation. City Manager Walsh stated that he would adjust the Cesar Chavez March allocation to provide second-year funding for the dental clinic and Seniors in Play. Furthermore, City Manager Walsh stated that he would add \$100,000 in NAMP to each council district using the \$1 million set aside for the FY 2026 deficit on amendment line 10. Mayor Nirenberg suggested that there would continue to be a balance in NAMP and providing another \$1 million would simply increase that balance. City Manager Walsh proposed sweeping the NAMP balances at the end of every year just like all other operating budgets.

Councilmember Courage clarified that the \$1 million on line 10 would fund the NAMP and would increase the FY 2026 deficit. Councilmember Courage suggested that the City Manager reach out

and determine if there was a consensus. Segovia warned against counting votes in a briefing session.

Mayor Nirenberg clarified that the City Manager was making his professional recommendation taking into consideration the City Councils' requests. City Manager Walsh stated that he wanted to explain what he heard in time for the City Council to provide clarifications and recommendations.

Councilmember Whyte concurred with the City Manager's synopsis but suggested there should be a big picture, long-term plan on how CPS Energy's revenues and rates were handled with reinvestments in the utility.

Councilmember Castillo stated that the funding for the dental clinic would provide surgical pieces, crowns, and other dental supplies. She emphasized that returning money to CPS Energy was a manufactured deficit because the funding was supposed to go into the City's coffers and noted that when those policies were set, BCAD had not made their policy changes.

Councilmember Viagran commented that Seniors in Play was only getting \$50,000 because they could apply for Delegate Agency Funding. She also recommended taking some money from the Cesar Chavez March to fund an additional year of the Reproductive Justice Fund. Councilmember Viagran suggested that things had changed since the CPS Energy policy and recommended funding for community needs and increasing employee compensation to recruit and train quality employees.

Councilmember Alderete Gavito clarified that she wanted to push money toward next year's deficit while keeping with her priorities.

Councilmember Rocha Garcia supported moving funding from the Cesar Chavez March to the dental clinic. Councilmember Rocha Garcia agreed that the City's financial position had changed since a year ago and wanted to discuss the CPS Energy off-system sales.

Mayor Nirenberg commented that the more the City Council continued to divide the City's Budget by 10 the more the City moved away from an equity approach and recommended addressing needs City-wide rather than by council district. Mayor Nirenberg agreed that the City was in a different financial position as a result of the new BCAD policy, but warned that CPS Energy rate increases fell harder on lower-income residents and wanted to ensure we were not shifting costs to already cost-burdened residents. He felt that contributing to CPS Energy's capital costs for improved infrastructure would help keep rates lower and opposed any change in the policy at tomorrow's meeting. He supported the City Manager's proposed amendments with the changes the city manager already outlined.

Councilmember McKee-Rodriguez wanted to know how the funding would be distributed if the manager added \$1 million in NAMP. Mayor Nirenberg stated that adding any money to NAMP would be divided by ten but would also add to future Budget deficits and recommended instead, having a policy discussion before moving any more money into NAMP because right now. Councilmember McKee-Rodriguez suggested that Councilmembers could use NAMP Funding for other needs. City Manager Walsh stated that this was an option for FY 2025 funds if the City Council updated the policy.

Councilmember Kaur asked if there was a request to spend CIP on other things, or if would it be a policy change. City Manager Walsh stated that it would not be allowable to use CIP on anything that was not a capital infrastructure expense.

Councilmember Courage suggested a policy discussion on NAMP, CIP, and City Council Project Funds (CCPF) to ensure synergy and flexibility. City Manager Walsh noted that small dollar projects could sometimes be as time-consuming for staff as larger projects but a policy discussion was needed.

Councilmember Castillo expressed frustration noting there was consensus to add funding to NAMP and even if there was a balance needing to be spent, it only meant Council District 5 residents would have to wait. City Manager Walsh stated that he would take the \$1 million from the FY 2026 Budget deficit to fund NAMP.

Mayor Nirenberg commented that all Councilmembers were getting \$550,000 in the FY 2025 NAMP Budget and suggested fixing the policy before allocating more than the base funds into NAMP.

Councilmember Alderete Gavito clarified that there was a backlog of NAMP Projects and suggested that if there was more money, it would be used.

Councilmember Viagran did not support putting any more money toward NAMP as giving it across the board was not helpful. She added that there should be more coordination with the utility companies.

Mayor Nirenberg stated that NAMP was an issue that required policy discussion because there was a \$4.1 million balance in NAMP.

City Manager Walsh stated that a memorandum would be provided tonight with updates.

## **EXECUTIVE SESSION**

Mayor Nirenberg recessed the meeting into Executive Session at 2:11 p.m. to discuss any of the following:

- A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Legal issues related to litigation involving the City pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Legal issues relating to emergency preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).

- E. Legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the meeting in Open Session at 2:21 p.m. and announced that no official action had been taken in Executive Session.

## **ADJOURNMENT**

There being no further discussion, the meeting was adjourned at 3:48 p.m.

**Approved**

**Ron Nirenberg  
Mayor**

**Debbie Racca-Sittre  
City Clerk**