

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



**Meeting Minutes
City Council B 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

Wednesday, February 19, 2025

2:00 PM

Council Briefing Room

The City Council convened a B Session meeting in the Council Briefing Room beginning at 2:04 p.m. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 10 – Kaur, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Alderete Gavito, Pelaez, Courage, Whyte

ABSENT: 1 - Nirenberg

1. FY 2025 Three Plus Nine (3+9) Budget and Finance Report and recommended FY 2026 Budget Calendar. [María Villagómez, Deputy City Manager; Justina Tate, Director, Office of Management and Budget].

City Manager Erik Walsh introduced the Item noting that periodic Budget reports were a part of the City's financial strategy to ensure that City Council could monitor the City's financial position and make adjustments as needed. He noted that the Office of Management and Budget (OMB) was conducting comprehensive Budget reviews currently and reports would be made during the 6+6 mid-year financial update.

Director of OMB, Justina Tate, reported that the First Quarter Financial Report featured unaudited actuals from October to December 2024, compared first quarter results to the FY 2025 Adopted Budget, and highlighted General Fund and selected restricted funds. She noted that the report was available on the City Website. Tate stated that General Fund results for the first quarter were in line with the Budget, property tax was performing consistent with the Budget, sales tax revenues were slightly ahead of last year's actuals but below Budget, and CPS revenue was ahead of Budget due to the electric fuel adjustment. She indicated that Restricted Funds, such as Hotel Occupancy Tax (HOT) and Development Services Funds, were performing within Budget, the Solid Waste Fund was outperforming projections due to better recycling revenue and less expense, and Airport revenues were slightly below Budget.

Tate broke down the \$3.96 billion FY 2025 Adopted City of San Antonio Budget as follows: 42% or \$1.67 billion was included in the General Fund, which supported most basic City services such as Police, Fire, Public Works, Parks, Library; 36% or \$1.43 billion was in Restricted Funds, which included: Airport Fund, Development Services, HOT, Solid Waste, and grants; and 22% or \$860.2 million was Budgeted for capital projects.

According to Tate, the \$1.67 billion in General Fund revenues were comprised of \$481.7 million from property tax which was 28.9% of the total, \$455.0 million from the CPS Payment, which was 27.2%, \$415.2 million from sales tax which was 24.9%, and the remaining 19% or \$316.4 million was from other sources. She reported that the General Fund revenues were \$4.9 million ahead of Budget for the first quarter with property tax on Budget, sales tax under Budget by \$1.2 million, CPS Energy revenues were over Budget by \$4.7 million, and other revenues were over Budget by \$1.4 million. Tate projected that the General Fund would be below Budget by \$1.2 million at the end of FY 2025. She added that General Fund expenses were \$4.1 million below Budget for the first quarter and on Budget for the end of FY 2025 according to Tate.

Tate projected the property tax revenue at Budget in FY 2025 noting that the Bexar County Appraisal District Board approved freezing any protested property values at an agreed upon value and rolling the value to next year. She noted that the change would impact protests filed in tax year 2025 and the City's FY 2027 Budget. Tate stated that her office would provide City Council with an update on the estimated impact of this change during the Five Year Forecast. Tate reported that the sales tax was still growing, but at a slower pace and CPS Base revenue was projected at Budget, which was 5.9% higher than last year.

Tate reported the HOT Fund including HOT as well as revenues from the Convention Center and Alamodome and the Development Services Fund to be generally balanced. Overall, for the first three months, the Solid Waste Fund was over Budget by \$1.4 million, according to Tate. She added that in FY 2025, the Solid Waste Fund was projected to be \$7.3 million over Budget due to increased recycling revenues, fuel savings, and less maintenance and repair costs.

Tate indicated that overall, for the first three months of FY 2025, the Airport Fund was under Budget including \$0.6 million under revenue and \$3 million over in expenses, however, for FY 2025, the Airport Fund was slightly ahead of Budget. Tate reported that most of the American Rescue Plan Act (ARPA), programs were expected to be completed by September 2025, work related to infrastructure improvements and emergency preparedness would be completed by December 2026,

and any savings would be re-allocated as part of the Budget process.

Tate highlighted several FY 2025 Budget improvements. She stated that Animal Care Services' (ACS) first quarter results included an additional \$1.4 million for critical call response which was at 82.4% and noted that 13 of the 14 new positions had been filled, and construction on two new Spay/Neuter Clinics at a cost of \$2.7 million was underway with anticipated completion by April 2025. She added that City Council approved new Spay/Neuter surgery services on February 13, 2025.

Homeless and Housing first quarter results, according to Tate, were that \$9.3 million was spent on low barrier shelter with 421 unduplicated clients served and 92 clients exiting the shelter to stable housing. She noted that \$1 million in housing stability assistance had provided 144 eligible individuals with housing assistance and another \$1 million had provided 45 eligible families with rental assistance.

Tate reported that the first quarter results for \$122 million spent on street maintenance included completion of 412 of 1,104 Pavement Preservation Projects and completion of 77 of 382 Rehabilitation Projects. She noted that the \$21.5 million Sidewalk Program constructed 8.8 of 23.6 miles of sidewalk and repaired 3.0 of 13.4 miles of sidewalk. She mentioned that another \$2.7 million was used to remove debris and overgrown vegetation, and repair 21 of 80 non-service alleys.

Public Safety first quarter results included 15 fire cadets at a cost of \$1.4 million and 65 police officers at a cost of \$3.8 million; 56 police cadets began the November 2024 class and were scheduled to graduate in July 2025, according to Tate.

Tate reported that OMB and the Office of Innovation were conducting internal reviews of department budgets, services, and processes in FY 2025 with in-depth reviews in 16 focused areas across four departments: Public Works, Health, Human Services, and Parks and Recreation. She indicated that the goals of the reviews were to identify efficiencies, duplication of services, and process improvements. She added that an update on process and potential recommendations would be included in the Mid-Year review presentation in May 2025.

Tate explained that in August 2024, the Governance Committee had approved staff's recommendation to develop a hybrid Budget method incorporating zero-based, outcome-based, and priority-based budgeting principles. She stated that the proposed approach would be presented in May 2025 as part of the mid-year financial review presentation and PFM Group Consulting had been retained to assist. Tate stated that the City Charter required the City Manager to establish a Budget Calendar. She provided an overview of the proposed calendar and requested City Council feedback by February 26, 2025, so the calendar could be available to the public by March 7, 2025.

Tate concluded her presentation by summarizing that the City's financial position for the first three months was in line with the Adopted Budget and OMB was monitoring Federal grant funding and economic indicators that would impact FY 2025 and upcoming budget development. She stated that her office would provide an update in May with the FY 2025 6+6 Financial Report.

DISCUSSION:

Councilmember Viagran requested the number of Federal grant funded positions and recommended

that staff create a plan for employees who might be impacted by Federal cuts. Tate stated that there were 758 positions funded by Federal grants and were mostly in the Department of Human Services childcare programs and Metro Health. Councilmember Viagran asked what might happen if the City did not get the Federal funds for the 50 new police officers to staff the new South Side substation. She expressed concern regarding funding for social service programs, parks programs, senior services, and delegate agencies. City Manager Walsh stated that he was closely monitoring Federal changes and had a committee to analyze impacts, if any. Councilmember Viagran asked if employees could be furloughed. City Manager Walsh did not think that contracts currently underway would be adjusted but there could be changes moving forward.

Councilmember Viagran requested an update to the Committee on losses at the Airport and HOT. She also requested information on the impact to housing and education. Councilmember Viagran expressed concern that the new Zero-Based Budget (ZBB) process would result in cuts that could hurt our community. She requested a breakdown by council district of how employee hiring and retiring could impact services.

Councilmember Rocha Garcia asked how much was lacking in the Charity Care Program. Tate indicated that \$6 million was budgeted and we were receiving \$2.5 million. Councilmember Rocha Garcia requested detailed information on the comprehensive Budget review. Kate Kinnison, Chief Innovation Officer, stated that program efficiencies and duplication were being reviewed at Parks, Metro Health, and DHS. She indicated that homeless services were also under review. She noted that growth, under the SA Forward Plan, was being evaluated as well as chronic disease prevention. Kinnison stated that she would send the list for Public Works to the City Council.

Councilmember Rocha Garcia expressed concern with the nonprofits that provided vital and critical services to the most vulnerable populations particularly on the South Side and noted that these nonprofits were losing private sector money, noting the closure of NuStar Energy, which was a \$3.5 million loss to the nonprofit community. Councilmember Rocha Garcia mentioned that Metro Health grew fast due to the COVID Pandemic and expressed concern that chronic diseases were affected by social determinants and this work needed to be continued; she cautioned against relying on nonprofits.

Councilmember Rocha Garcia asked how the Final Four might impact HOT, noting that the City might need to provide more security after the terrorist attack in New Orleans ahead of the Super Bowl. Tate stated that additional security was included in the Budget for the Final Four and the average daily rate for HOT was \$130 per night and was ahead of last year's, which was \$126 per night, and the City was on Budget in FY 2025 for HOT revenues.

Councilmember Rocha Garcia commented that people needed streets and sidewalks, but health and social services could be risks to vulnerable families as they could choose to forgo their medicine or healthcare. City Manager Walsh noted that the report in May 2025 would outline recommendations and impacts which would be a City Council discussion; however, efficiencies and process improvements might be something happening internally that could be accomplished without impacting services. She questioned including Metro Health in the initial comprehensive review process. City Manager Walsh stated that all departments would go through the reviews, but those four departments were just the start.

Councilmember Alderete Gavito requested trends for other revenue sources. Tate stated that the

highlights were 81% of the revenues and she would provide more detail to the Councilmember, however, she noted that there was 3.4% average growth over 10 years in those other revenues. Councilmember Alderete Gavito noted that the City spent \$25 million on Delegate Agencies and requested comparison with other cities. Assistant Director of the Department of Human Services (DHS), Jessica Dovalina, stated that she would provide this information in her presentation on Item 2.

Councilmember Alderete Gavito was pleased that recycling was paying off and the increasing response rate to critical calls by Animal Care Services (ACS). She commented that only 92 homeless clients were placed in stable housing and the goal was 168, even though 421 were served. Assistant DHS Director, Patrick Steck, stated that 200 were in the shelters, which was the capacity of shelter beds, and the remainder were in unstable housing, but the challenge was interim placement versus long-term placement.

Councilmember Alderete Gavito asked how people applied for rental assistance. Ian Benavidez, Director of the Neighborhood Housing Services Department (NHSD), reported that 45 families were relocated after being evicted using \$1 million of additional funding included as an improvement in FY 2025 but overall, 400 families were assisted through the program and there were many applications, so they had to be prioritized. Councilmember Alderete Gavito supported hiring new police officers, firefighters, and code officers. She looked forward to the ZBB presentation in May 2025.

Councilmember Cabello Havrda wanted to focus on police officer retention as well as recruitment. Deputy City Manager Maria Villagomez stated that wellness, fitness, and other programs were implemented to help retain first responders. Councilmember Cabello Havrda mentioned that the ACS numbers demonstrated that the City was making progress and asked if there were funds in the Budget designated to lower the euthanasia rate. Tate indicated that the live release rate was at 85.5%, which was higher than the target, which would indicate the initiatives were improving outcomes. Councilmember Cabello Havrda recommended more partnerships with ACS. City Manager Walsh introduced new ACS Director John Gary, who reported January's live release rate at 88%, which was an improvement and heading in the right direction with a goal of achieving a 90% live release rate.

Councilmember Cabello Havrda expressed concern with the instability of Federal funding and asked whether core services would be impacted by Federal cuts. City Manager Walsh was confident that for FY 2025 we were in a good position but he was unsure about what might happen next year. He mentioned upswings and downswings based on different administrations in the past. Councilmember Cabello Havrda requested a list of City services that received Federal grants. Tate noted that this was in the Budget and could be pulled out and sent to the City Council.

Councilmember Cabello Havrda wanted to ensure that nonprofits, that aligned with the City Council Budget priorities, maintained their City funding and remained strong. She recommended wisely allocating resources to get the best return for the community's future including a backup plan.

Councilmember Castillo requested a contingency plan for staff or services that could be impacted by Federal cuts and recommended investing in our own Metro Health infrastructure rather than relying on the Federal Government for vaccines, childcare, and other health programs. Councilmember Castillo requested clarification on the proposed review of duplication efforts. Villagomez indicated that the study of processes and other services was important to find efficiencies. City Manager Walsh added that

he had selected the departments for review. Councilmember Castillo commented that housing was a priority.

Councilmember Castillo noted that Council District 5 residents continued to request street, sidewalk, and other infrastructure improvements. She was pleased that ACS had improved their numbers and noted that the Good Neighbor Program was working well. She was also happy to see a decrease in vacant house fires. Councilmember Castillo recommended a feasibility study to determine if one of the closed schools in Edgewood Independent School District (ISD) might be utilized as a senior or community center. City Manager Walsh stated that staff was looking at incorporating Nelson Wolff Stadium into a park or community center but would reach out to the schools. Councilmember Castillo asked if sales tax revenues were down citywide. Tate stated that compared to 2024, sales tax was growing compared to the first quarter, which was slightly below plan.

Councilmember Whyte was pleased that the ZBB was being implemented and noted that the PFM Consulting Group was poised to begin this new hybrid budgeting process. He requested clarification on how savings would be reallocated. Villagomez stated that reallocations would occur as a part of the Budget process beginning with the City Council Budget Goal Setting Session.

Councilmember Whyte noted that 118 miles of streets were expected to be improved this year and Public Works was sitting at 12 miles so he questioned if they would meet those goals, likewise for pavement striping. Director of Public Works, Razi Hosseini, assured the Councilman that the goals would be met. Councilmember Whyte commented that 838 jobs had been created/retained but there was a higher goal. Director of the Economic Development Department (EDD) Brenda Hicks-Sorensen stated that the department and its partners expected to exceed those goals and create closer to 1,400 jobs.

Councilmember Whyte commented that the plan was to review existing Code Enforcement processes and develop a strategic plan but the Director of Development Services (DSD) had only developed 10% of the plan, which should have been at 25%. Director of DSD, Mike Shannon, explained that the process would catch up once a consultant was in place to help with the plan and this was delayed due to a City Code update.

Councilmember Whyte recommended an audit of the delegate agencies to determine whether they were performing and providing services since they were 25% of the City's Budget. Mayor Pro-Tem Kaur clarified that the agencies were receiving \$25 million, not 25% of the total budget.

Councilmember McKee-Rodriguez was pleased with the results of ACS responses and progress toward the live-release rate but stated that he would like to see more improvement. He suggested that more visibility of ACS would help improve outcomes and noted that a new spay/neuter clinic was included in the Budget and he expected this to impact the quality of service provided by ACS. He recommended adding kennel capacity on the East Side as well.

Councilmember McKee-Rodriguez was pleased that improvements to Copernicus Park were being made to house a new senior center and wanted to ensure that services would continue despite what was happening at the Federal level. He expressed concerns about meals and coffee services, which Dovalina stated that she would investigate.

Councilmember McKee-Rodriguez commented that the amount of funding spent per rental assistance recipient was much lower than if they became homeless. He noted that keeping individuals housed would also help prevent crime, so he supported more funding for rental assistance. Councilmember McKee-Rodriguez suggested that the Public Works Department might need to be restructured to meet its goals. He noted the upcoming Municipal Election on May 3, 2025, and requested that City staff reach out and engage new Councilmembers as soon as possible to help them understand the Budget Goal Setting Process.

Councilmember Courage asked if all Federal funding that had been promised for FY 2025 had come through. City Manager Walsh stated that nothing had changed but most grants were funded on a reimbursement basis. Councilmember Courage noted that there was \$325 million in Federal funding in FY 2025 and commented that some of the funding was passed through to delegate agency partners. He asked if most of the 758 positions were tied to those agencies. Tate indicated that they were all City employees.

Councilmember Courage requested analysis of what might happen if funding was cut in half for all Federal grants so that he could communicate the potential impact to the public. He noted that Head Start was a big grant. Councilmember Courage asked if City Manager Walsh was eliminating the Trial Budget. Tate replied that the Trial Budget would be presented at the Goal Setting Session so City Council could weigh in.

Councilmember Viagran commented that September 18, 2025, for Budget adoption was late and suggested September 11, 2025, might be better. Tate stated that the adoption date was driven by the date the City Manager proposed the Budget and by City Charter. She added that the deadline to adopt the Budget was September 27, 2025.

Councilmember Rocha Garcia expressed concern that Federal non-military employees were almost 3% of our community workforce and layoffs could adversely impact our economy, spending, and the contracting industry, particularly at Port San Antonio. She also suggested that rental demand and property values could be negatively impacted as these were good paying jobs. She suggested that the Office of Military Affairs might assist as well as Workforce Solutions Alamo.

Mayor Pro-Tem Kaur requested more advanced notice on the next Budget report. She hoped the improved Solid Waste revenues would offset the need to raise the rates on the brown carts next year. Tate noted that recycling was helping balance the revenues and staff would determine if rate increases were needed.

Mayor Pro-Tem Kaur asked if the new investigative Code Officer had been hired. Shannon confirmed that the staff had been hired. Mayor Pro-Tem Kaur noted that the low-barrier shelter dashboard report was higher than today's report. Steck noted that the dashboard was looking at the entire program October to current, but the report at today's meeting was only for October to December 2024.

Mayor Pro-Tem Kaur noted that the Rental Assistance Program was underfunded and recommended referring applicants to workforce programs such as Ready to Work. Benavidez reported that 730 applications had been received as of yesterday and the funding was available to serve only 130 so

NHSD was prioritizing those with eviction notices. Mayor Pro-Tem Kaur noted that there was a delay and gap in the Under One Roof Program. Benavidez noted that staff was still reviewing applications and would work to meet the goals.

Mayor Pro-Tem Kaur requested a Public Works metric to see how many projects were completed on time and on budget with further breakdown of phases. She asked why the goal was to pay 88% of invoices on time. Elliott stated that there were a set of payments that had to be sent back to vendors to correct them so that was why the goal was not higher, but he would analyze the metric.

Mayor Pro-Tem Kaur requested quicker and more efficient processes to advertise and hire positions. She also requested comparison of the 3+9 and 6+6 Reports, particularly related to metrics. City Manager Walsh indicated that the departments did a good job collecting the metrics and all would be provided to the City Council.

2. Pre-Solicitation Briefing for FY 2026 - FY 2027 Human Services Consolidated Funding Process. [Lori Houston, Assistant City Manager; Melody Woosley, Director, Department of Human Services]

City Manager Erik Walsh stated that the Delegate Agency Process was a biennial (two-year) process and it was important that the grants aligned with the goals of City Council; contracts from this process would be funded in FY 2026 and 2027.

Assistant Human Services Department Director Jessica Dovalina provided an overview of the funding process using both local and grant funds. She reported that the funding priorities and strategies aligned with City of San Antonio priorities, City Council policy direction, Human Services key priorities, the 2020 Strategic Plan to Respond to Homelessness in San Antonio and Bexar County, the 2024 Status of Poverty Report, the 2019 Senior Services Strategic Plan, Opportunity Youth Reengagement, the 2024 Collaborative Commission on Domestic Violence Cumulative Progress Report and New Strategic Plan, San Antonio Ready to Work, and the Violent Crime Reduction Plan, which focused on deterrence.

Dovalina mentioned that the process included Community input, which was collected between October 8, 2024, and January 16, 2025. She provided a timeline for the Request for Proposals (RFP), which was planned to be released on March 3, 2025. Dovalina stated that technical assistance was scheduled for March 18 through 20, 2025, and proposals would be due on April 18, 2025. She proposed evaluation and scoring to occur between May and June 2025. Dovalina added that Agency Input Sessions were planned for August 2025 and the City Manager was expected to propose the FY 2026 Budget in August 2025 with Budget adoption in September 2025.

Dovalina reported that the Fiscal Year 2025 Adopted Budget included \$25.35 million in funding for 83 programs provided by 52 agencies to serve 60,655 residents. She stated that the Budget was broken down as follows: \$20.41 million General Fund, \$4.94 million in grant funds, and \$500,000 from the American Rescue Plan Act (ARPA). Dovalina noted that of the \$25.35 million, 62% was competitively awarded and 38% was designated. Dovalina indicated that 49% or \$12.49 million was designated for Ending Homelessness, 30% or \$7.61 million of the funding was designated for the Children and Youth category, 11% or \$2.77 million was designated for the Strengthening Families category, and 10% or \$2.48 million was designated for Senior Independence.

Dovalina provided results of the eight community input sessions and four focus group meetings, which included 210 participants and 125 post-survey responses. She reported that 43% ranked Children and

Youth as their top priority with services to expand child abuse prevention through crisis nurseries, behavioral health, support caregivers of special needs children, and expand allowable activities and eligibility for youth/teens. Dovalina stated that Older Adults was ranked as the top priority by 13% with a focus on social isolation, expansion of support for caretakers, support for homebound older adults, and expansion of food assistance and nutrition programs. She reported that Individuals and Families were ranked as a top priority by 35% with services to expand financial counseling, literacy, and emergency support; prioritize wraparound programs, particularly for individuals with disabilities; and increase behavioral health programs. Dovalina noted that Homelessness was ranked as a top priority by 8% and included support for stable housing, permanent supportive housing, and mental and behavioral health support. She committed that DHS would ensure that all programs measured client satisfaction.

A chart comparing investments of other peer cities was provided by Dovalina. She proposed a \$25.81 million investment for FY 2026 which was based on the FY 2025 Budget with grant related adjustments broken down as follows: 31% or \$7.61 million for Children and Youth; 9% or \$2.27 million for Family Strengthening; 50% or \$12.45 million for Ending Homelessness; and 10% or \$2.48 million for Senior Independence.

Dovalina described a FY 2026/2027 strategy that prioritized clients by vulnerability using data-driven targets to serve populations and areas of highest need. She proposed simplifying and standardizing the application, contracts, performance metrics, and monitoring. She mentioned that the application process would include online submission with information and technical assistance sessions for applicants. She stated that the process would include diverse evaluation panels that would score based on client vulnerability criteria, past performance, and alignment with City priorities.

Dovalina requested feedback from the City Council on whether \$9.7 million should be designated for Homelessness and Youth Programs including Haven for Hope, the Center for Health Care Services, school districts, and the Up Partnership. She asked the City Council if they would support a set aside for the Crisis Nursery Program. Setting a minimum funding award of \$100,000 per year was proposed by Dovalina. Related to the RFP process, Dovalina asked if City Council would want applicant input sessions to be held prior to the Budget and/or an abbreviated non-communication period for City Council that would begin when proposals were submitted and end when awards were posted to the City Council agenda.

Dovalina described process improvements for the solicitation which included expanding the scope of training and technical assistance, more explicit detail on alignment with City priorities, and reduction of unnecessary or duplicative response requests for the next funding cycle. She noted that DHS would improve the contract negotiation and execution by beginning the negotiation process earlier, reducing and standardizing performance metrics, and streamlining the process for agencies to request Budget revisions. Dovalina proposed improvements to contract and agency monitoring through data system training guides, videos and tools, simplified program performance tools, earlier notification of planned monitoring visits and checklists, and risk assessment informed monitoring to guide frequency and intensity. Additional efficiencies and improvements were anticipated to be identified through the Comprehensive Budget Review Process, according to Dovalina.

Dovalina transitioned her presentation to a pre-solicitation briefing and summarized the RFP process

for an estimated \$49.6 million in funding to be awarded over the life of the two-year contracts. She outlined outreach efforts, listed evaluation panelists and scoring criteria, and provided a timeline for the RFP and contract award with contracts beginning October 1, 2025.

DISCUSSION:

Mayor Pro-Tem Kaur thanked the agencies that attended the meeting and commented that the work of Delegate Agencies was important. She noted there was a request for more youth funding. Mayor Pro-Tem Kaur expressed concern that increasing the minimum award to \$100,000 from \$50,000 without increasing the total amount of funds might mean that fewer organizations would get funded. She had heard that the reporting requirements were extreme and, while metrics were important, she supported the streamlining of the reporting process and suggested alignment with other funders such as United Way. Dovalina explained that the category of the Children and Youth area had overlap for metrics and they were working to align with United Way and the San Antonio Area Foundation; noting that 100% of reporting was validated.

Mayor Pro-Tem Kaur asked how the community indicator aspirational goals were developed. Dovalina stated that in 2020, there was a community engagement process. Mayor Pro-Tem Kaur concurred with comparing 2020 to 2025 for long term result indicators. She wanted to see more work with youth and childcare added without taking from other services.

Councilmember Rocha Garcia expressed concern with the need for health equity as food insecurity as other community agencies were the first places residents went to seek services. She urged taking a post-pandemic view of community needs and noted that smaller nonprofits were always operating in a deficit, and they served the most vulnerable. Councilmember Rocha Garcia suggested that the development of a crisis nursery was an important need citing her Council Consideration Request (CCR) 2023-0016 titled "Crisis Nursery Program."

Councilmember Rocha Garcia suggested that some nonprofits might need to merge so that those larger nonprofits operating with excess revenue could be shared with others. While Councilmember Rocha Garcia wanted to ensure compliance, she did not want to overburden the agencies with reporting.

Councilmember Whyte proposed cutting the \$24.81 million Budget by 25% or \$6.2 million and placing those funds into public safety to fund 62 new police officers, which would support the plan to add 65 new officers annually. Councilmember Whyte cited the lack of ability to investigate certain crimes. He suggested cutting immigration legal services and the Homeless Response Network support since our homeless population was only increasing, which meant our policies were not really working. He recommended a comprehensive review of all Delegate Agencies.

Councilmember Whyte requested 2024 past targets for each agency. Dovalina indicated that longer term outcomes were generally overperforming and were included in the dashboard. Councilmember Whyte commented that Any Baby Can did not serve 150 unduplicated clients. He requested a specific presentation on each recommended agency for FY 2026 and asked what happened if an agency was not meeting their goals. Dovalina stated that if they were underperforming in the beginning of the contract, they would be put on a performance success plan but if they continued to underperform, they would not receive reimbursement.

Councilmember Viagran told a story about a police officer whose child received services from Any Baby Can and noted that there were many first responders being served by Delegate Agencies. She recommended a one-year and a three-year funding period for agencies so new and smaller organizations could get one-year funding to be able to prove themselves and the three-year funding for agencies that were more established would avoid a funding cycle during elections. She noted the uncertainty regarding Federal grants might also warrant a one-year cycle. City Manager Walsh asked how the one-year versus three-year list might be distinguished. Councilmember Viagran suggested smaller grants, pilots, or catch-ups could be in the one-year cycle but recommended that DHS develop the program.

Councilmember Viagran appreciated the scorecards and the fiscal responsibilities and recommended graduating them to other funders such as United Way. She noted that the City was in the election period and urged her colleagues to not use this platform to pander to certain political groups.

Councilmember McKee-Rodriguez asserted that divesting in social services in other communities resulted in an increase in violent crimes and property crimes. He supported a one-year, two-year, and three-year cycle and did not support increasing the minimum award from \$50,000 to \$100,000 suggesting that the one-year cycle could be for micro grants and then the longer terms could be larger. Councilmember McKee-Rodriguez expressed concern that small agencies could get overwhelmed and might need more outreach and technical assistance. He pondered how long the City would continue to fund agencies and how the City might be able to spread the wealth.

Councilmember Castillo felt that strengthening infrastructure for agencies was important and suggested more services within underserved areas such as funding for nonprofit senior centers. Dovalina noted that the bulk of senior services supported programs as City-owned and operated centers with the exception of nutrition programs. Councilmember Castillo prioritized opportunities for youth since this was a community concern with the City Charter discussion and wanted to make improvements to homeless services that would produce better results. Councilmember Castillo was disappointed that this small bucket of funding was targeted for disinvestment when the City was spending money on sports and entertainment at much larger levels.

Councilmember Castillo recommended supporting the San Antonio Youth Commission for micro grants to conduct studies and arts programs that helped impact mental health and the well-being of youth. Dovalina stated that arts agencies could apply for youth and senior funding.

Councilmember Pelaez pointed out that Delegate Agencies were providing services that other cities might provide in-house and the contracting process was an intentional investment in the social safety net. Councilmember Pelaez noted that 120,000 San Antonians were being fed monthly by the City through the San Antonio Food Bank during the COVID-19 Pandemic. He noted that last year, Family Violence and Prevention Services served thousands of women and recommended more funding for women services such as the Rape Crisis Center.

Councilmember Pelaez noted there were programs that supported individuals needing detoxification, which improved public safety and commented that the crisis nursery would do the same. He suggested cutting purchases at gala tables or travel and these were choices. Councilmember Pelaez commented that the City Charter allowed for the City Council to set priorities that served its citizens. Councilmember

Pelaez stated that there were many nonprofits in town and people needed to be reminded not to start new nonprofits but to help out those already in existence.

Councilmember Alderete Gavito suggested that the council district offices received many calls regarding homelessness and asked when community input meetings were held. Dovalina reported that the meetings were held last fall with both the community and separate meetings with agencies and other boards; in total 20 agencies and 14 funders participated. She stated that, however, the small survey was not the only information source, rather it included the Citywide survey. Councilmember Alderete Gavito requested a breakdown of funding by priority and suggested delaying the solicitation by a couple of weeks for the City Council to take more time to review since \$30 million was a lot of money. She suggested that a sunset clause might need to be considered. Dovalina indicated that in prior cycles, the department looked at time limits but since the goal was to buy services and not fund agencies, the best service providers should be funded. Councilmember Alderete Gavito suggested that the City require a match.

Councilmember Cabello Havrda stated that the Non-Profit Council had reported that nonprofits had a \$6 billion economic impact on the community and suggested that there were nonprofits that had not been able to break into City funding while there were decades of agencies being funded by the City and suggested that there should be some sort of off-ramp. Dovalina noted that the agencies were asked about their long-term sustainability plans and the majority responded that their funding was non-City. Councilmember Cabello Havrda requested an economic impact study of the agencies funded by the City.

Councilmember Cabello Havrda supported the crisis nursery but wanted to determine the right amount of funding for the program. Dovalina reported that the department was currently studying the crisis nursery and interested nonprofits were looking at other funding sources besides the City. Councilmember Cabello Havrda noted that the After-School Challenge Program included a program fee on a sliding scale for families and she supported keeping that sliding scale.

Councilmember Courage was disappointed that there were only eight community input sessions and four focus groups with 210 participants and 125 survey respondents since there were 1.4 million people in San Antonio and the nonprofits were serving 60,000 people. He asked how many people the City was serving directly. Dovalina stated that DHS served up to 90,000 people annually.

Councilmember Courage wanted to see more public input.

Councilmember Courage expressed concern with increasing the minimum award from \$50,000 to \$100,000 as many organizations might be cut out of the process as a result. He asserted that the City could not do all of the work itself and we needed our Delegate Agency partners and he did not support cutting any funding from the program.

Councilmember Whyte clarified that he would like to cut many areas of the Budget but today the specific topic was Delegate Agencies so that is why his comments were related to reducing the Budget for immigration legal services and homeless services, not youth or seniors. He asserted that homeless funding was not being spent effectively since we kept seeing more homeless people on our streets. Councilmember Whyte recommended more funding from Bexar County for Haven for Hope.

Councilmember McKee-Rodriguez proposed more time for technical assistance and moving the

timeline back and suggested that the evaluation should be accelerated. Dovalina indicated that the blackout period began once the proposal was submitted until City Council approved the Budget and she could brief City Council on the metrics.

City Manager Walsh recommended returning to the full City Council in another B session as there were many comments made today so he suggested a reframing since Councilmember Viagran's proposed cycles needed further study. He stated that the solicitation needed to be focused on services that the City Council wanted to buy. He indicated that he would provide historical funding and performance measures. City Manager Walsh also offered to look at the schedule to provide due consideration by City Council. He stated that the \$24.8 million was a starting point and City Council could make a decision on the Budget amount without having to make awards in the Budget.

Councilmember Viagran requested a meeting before the next Budget report and wanted to discuss the compressed blackout period.

Councilmember Rocha Garcia requested historical agency funding and thanked Dovalina for pointing out that we were buying services. Councilmember Rocha Garcia asked that if grants were lost, when would he City determine where the money would come from. City Manager Walsh stated that the discussion would begin in the summer except for the crisis nursery, which might need to be decided sooner.

Councilmember Pelaez noted that the Center for Healthcare Services Sobering Unit, Christian Assistance Ministry, Battered Women's Shelter, Homeless Veterans Outreach, and the San Antonio Food Bank were in the Homeless category and should never be cut.

Mayor Pro Tem Kaur suggested hosting a Youth Task Force meeting before the next B Session.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 5:31 p.m.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**