

**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

Wednesday, August 21, 2024

2:00 PM

Council Briefing Room

The City Council convened a Budget Work Session meeting in the Council Briefing Room beginning at 2:02 PM. 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

ITEMS

1. Staff presentation on the FY 2025 Proposed Budget focusing on, but not limited to, the following City Departments or Initiatives: [Erik Walsh, City Manager; Justina Tate, Management & Budget]

A. Airport

Director of Aviation Jesus Saenz provided an overview of the Proposed FY 2025 Operating

Budget for the Aviation Department noting that revenues were from the tenant and passenger user fees and Federal grants and were mandated by law to be used for airport operations. Saenz proposed 479 positions to support the San Antonio International Airport (SAT) and eight positions at Stinson Municipal Airport which were the same number as in FY 2024. He projected a 20.1% increase in revenues over FY 2024 including \$23.4 million more from airline revenues and \$4.4 million more from non-airline revenues such as concessions and parking.

The Proposed FY 2025 Budget included \$127.1 million for operations and maintenance which was a 5.9% increase, \$291.9 million in Capital Funds which was a 15.5% increase and a \$36.8 million transfer to the Capital Improvements Fund which was a 145% increase. Saenz also noted that there was \$40.4 million in restricted funds and \$0.7 million in American Rescue Plan Act (ARPA) Funds. Saenz proposed increases to General Aviation (GA) Landing Fees and Federal Inspection Station Fees as well as an increase in overnight parking for aircraft from \$125 to \$150.

Saenz proposed 48 non-stop destinations for FY 2025, up from 45 in FY 2024 which would result in 11,632,960 passengers in FY 2025 compared to 11,240,009 in FY 2024. He estimated that the Terminal Development Program (TDP) Design would be 70% complete by the end of FY 2025 with seven projects under construction accounting for 11% of the TDP Budget.

Saenz stated that the new performance measures included a target of 85% of passengers through security checkpoints in under 15 minutes and 85% of passengers through customs within 30 minutes. He reported that an economic impact study of the Airport System indicated a \$7.4 billion impact and 55,000 jobs supported by the system.

Saenz listed the new destinations added in FY 2024 which included: Queretaro and Torreon, Mexico; Frankfurt, Germany, Burbank, California; Philadelphia, Pennsylvania; and Boston, Massachusetts. Additionally, Saenz reported that since 2019, non-stop flights had increased 18.4% and seat capacity had increased 16%. He noted that FY 2024 passenger growth was up 8% over the prior year. Saenz noted that the department had received \$133.7 million in Federal grants between 2020 and 2024.

Saenz highlighted community engagement efforts such as the Flight Simulator Program the AIM High Flight Academy, as well as partnerships with Girls Scouts, Women in Aviation, Northeast and Southwest Independent School Districts (ISD) and a collaboration with the US Department of Energy, University of Texas at San Antonio (UTSA) and CPS Energy. Saenz reviewed the Stinson Airport Layout Plan approved in fall 2023.

Saenz stated that the 292 million Capital Program included \$153 million for the TDP and funding for SAT airfield projects, other terminal projects, transit and roadway improvements, as well as a new roof and drainage improvements for Stinson. Saenz provided details for the Terminal A Ground Load Facility, a status update of the TDP, and the Ground Transportation Center (GTC) Parking Program.

Saenz closed his presentation with pre-solicitation briefings for the GTC and the Airfield Safety Enhancement and Improvements Program including the two-step evaluation process, evaluation

criteria, evaluation panelists, and timeline.

DISCUSSION:

Mayor Pro-Tempore Viagran opened the discussion by thanking Saenz for his work and the work of the Aviation Department Team. She commented on the high quality of the solicitation process. Mayor Pro-Tempore Viagran asked if there were any plans for flights to the Rio Grande Valley. Saenz stated that he had just signed a nondisclosure agreement so he was unable to comment. Mayor Pro-Tempore Viagran requested adding capacity for international shipping and customs at Stinson noting that the municipal airport had received Federal funding for upgrades. Saenz stated that there was an opportunity to hold discussions with Customs & Border Protection during the next SA to DC trip.

Mayor Pro-Tempore Viagran was excited about the community engagement programs at Stinson Municipal Airport including the youth programs, flight simulator, and vintage airplane rides.

Councilmember Rocha Garcia thanked Saenz and his team and acknowledged that at a time when the Austin airport lost 80 flights, SAT had grown. She noted that airline revenue was projected to increase in FY 2025 and supported remaining competitive with airport and landing fees to ensure growth. Saenz cited shared revenue growth as a potential draw. Councilmember Rocha Garcia supported the adult changing room and child quiet room as important to customers. She asked if the increased parking revenue was attributed to the new parking vendor. Saenz stated that it was too early to tell if the new vendor was impacting revenues, however other operational changes were making our garages more attractive. Councilmember Rocha Garcia asked what the new Landside Operations Team would do. Saenz stated that the Team would focus on customer service at the terminals and garages and he proposed a new service for baggage check directly from the garage.

Councilmember Cabello Havrda noted that the airport was a self-sustaining engine and congratulated the entire Airport Team for keeping it running. She declared the airport to be more than a transportation hub but an economic generator and asked what caused July 2024 to be the busiest month ever. Saenz stated that people made their own decisions but the Team established priorities to focus on certain markets and create those direct flights, particularly to Mexico, and to ensure people experience quality, efficient, and quick service. Councilmember Cabello Havrda noted there was a call from the Metropolitan Planning Organization (MPO) projects and suggested a review of roadways leading to SAT.

Councilmember Alderete Gavito asked how much Federal funds were received from ARPA. Saenz stated that \$89 million was used to pay bills, support concessions, and subsidize airline rates/charges during low periods during the COVID-19 Pandemic. She asked if the increased fees were comparable to other airports. Saenz stated that 70 other airports around the country charged the General Aviation (GA) fees and this was new to SAT.

Councilmember Alderete Gavito clarified that they were waiting to hear on the \$25.5 million grant and asked when they might find out if the grant was awarded. Saenz spoke highly of the opportunity to win the award and stated that they met regularly with the Federal Aviation Administration to secure

funds but anticipated hearing an answer in October or November 2024. Councilmember Alderete Gavito recommended applying for more grants.

Councilmember Alderete Gavito recognized the department's work with youth and the community. She requested an infographic on when the community could expect to see the new parking perks, the adult changing station, and the children's sensory room.

Councilmember Castillo thanked staff for applying for Federal grants. She spoke in support of investments in the children's sensory room and direct flights to Mexico noting that this would make families feel more comfortable flying.

Councilmember Whyte commented that the airport was doing things right. He asked how the GA fees compared with other airports. Saenz stated that Austin and Dallas Love had those fees so he did not anticipate the fees to impact flights or commerce. Councilmember Whyte asked about safety enhancements. Runway incursion prevention through situational awareness lighting was a state-of-the-art program being launched by the FAA and was planned to be piloted only at SAT, according to Saenz.

Councilmember Whyte asked what Saenz thought SAT's largest impediment was to get more non-stop flights. Saenz stated that the volatility of the market was an impact but the Team had been working to put SAT on the map and recommended stopping negative self-talk, grow transparency, keep pricing competitive, focus on the market share of low-cost carriers, and reach out to other leisure markets such as the Caribbean, South America, and Canada. Councilmember Whyte compared the detail in Dallas' aviation Budgets and requested more detailed information from the department.

Councilmember Kaur commented that the airport expansion's Budget was \$1.68 billion and they were at 30% design, had hired a Construction Manager at Risk, and the projects were funded by the airport's Capital Budget noting that the airport was self-funded and residents were not paying taxes for the airport. She requested clarification on the new performance measures. Saenz stated that there were more analytical models and metrics being tracked but the ones presented today were selected specifically for the Budget. Councilmember Kaur recommended tracking occupancy on flights and the time it took from check-in to the flight; Saenz stated that these were tracked.

Councilmember Kaur requested a map of where the flight simulator students were coming from within the City. Saenz stated that it was citywide. Councilmember Kaur asked if the airport had control over flight pricing. Saenz stated that although the airport did not have control over pricing, we could help the airline reduce costs so they could keep costs down, additionally, competition between airlines also drove down prices. She recommended a yoga room for the terminal in addition to the sensory room.

Councilmember Pelaez commented that airline fuel was more expensive at SAT and we might be losing small Cessna planes due to this expense, noting that Stinson was cheaper and Castroville Municipal Airport was cheaper. Saenz stated that the staff would perform a comparative analysis but noted that there was growth in commercial and noncommercial airlines, however, the Fixed Based Operators needed to ensure there was adequate cost recovery within those prices.

Councilmember Courage supported the Aviation Department's plan. He stated that complaints were related to parking, Transportation Security Administration (TSA) checkpoint wait timing and issues, baggage pickup, and ground loading onto airplanes. Saenz stated that the Ground Loading Facility (GLF) Plan was to add a canopy for ground-loaded passengers with a three-minute walk or less and there were already exclusive agreements with carriers for the jet bridges. Saenz stated that in 2023, SAT was rated as having the shortest TSA wait times. Councilmember Courage recommended streamlining baggage pickup and improvements to parking including valet parking and more covered parking.

City Manager Walsh stated that this was the first Budget Work Session and the staff would be tracking down the answers to questions and providing the infographic.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 3:46 p.m.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**