

City of San Antonio



Minutes Governance Committee 2023 – 2025 Council Members

Mayor Ron Nirenberg, Chair
Dr. Adriana Rocha Garcia, Dist. 4 | Melissa Cabello Havrda, Dist. 6
Manny Pelaez, Dist. 8 | John Courage, Dist. 9

Friday, August 16, 2024

2:00 PM

City Hall

The Governance Committee convened a regular meeting in the City Hall Media Briefing Room at 2:05 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Ron Nirenberg, *Mayor, Chair*
Dr. Adriana Rocha Garcia, *Member*
Melissa Cabello Havrda, *Member*
Manny Pelaez, *Member*
John Courage, *Member*

Members Absent: None

Approval of Minutes

1. Approval of minutes from the Governance Committee meeting on June 26, 2024.

Councilmember Rocha Garcia moved to Approve the minutes of the June 26, 2024 Governance Committee meeting. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Rocha Garcia, Cabello Havrda, Pelaez, Courage

Briefing and Possible Action on

2. Council Consideration Request by Councilmember Phyllis Viagran (District 3) on Planning Commission Diversification. [Debbie Racca-Sittre; City Clerk]

Assistant City Clerk Jamie Nieto provided background on CCR 2024-0019 and its request and recommended referral of the CCR to the Planning & Community Development Committee

(PCDC).

Councilmember Viagran, who was not on the Governance Committee spoke as a guest in support of her CCR and the staff recommendations to refer to PCDC. Councilmember Viagran did not participate in the discussions.

DISCUSSION:

Councilmember Courage concurred that more diversity and representation was needed on the Planning Commission noting that he had previously served as the designated Councilmember on that Commission. He stated that even though the City Charter might call for individuals with expertise, there was an expert staff that advised the Committee who stated that members did not need to be experts and he supported diversity.

Councilmember Cabello Havrda wanted to ensure that any recommendations complied with City Charter provisions.

Councilmember Pelaez wanted to ensure that if the Planning Commission was diversified, the technical subject matter expertise was retained within the Commission.

Councilmember Rocha Garcia supported diversity and agreed that Commissioners needed to have expertise.

Mayor Nirenberg stated that there had been several discussions about the need for geographic diversification, but it was important to find the right members to deliver the SA Tomorrow Comprehensive Plan.

Councilmember Rocha Garcia moved to Refer to Committee. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Rocha Garcia, Cabello Havrda, Pelaez, Courage

3. Council Consideration Request by Councilmember Teri Castillo (District 5) on Designation of Fuentes-Sanchez Alley. [John Peterek, Interim Assistant City Manager; Amin Tohmaz, Interim Director, Development Services]

Interim Assistant City Manager John Peterek presented an overview of CCR 2024-0016 and its request and recommended referral of the CCR to City Council after following the standard approval process.

Councilmember Castillo provided a letter to the Committee in support of her CCR.

Councilmember Rocha Garcia moved to Approve. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Rocha Garcia, Cabello Havrda, Pelaez, Courage

4. Council Consideration Request by Councilmember Dr. Sukh Kaur (District 1) on Improvements to the Accuracy, Effectiveness, and Expediency in Construction Projects. [John Peterek, Interim Assistant City Manager; Razi Hosseini, Director, Public Works]

Interim Assistant City Manager John Peterek presented an overview of CCR 2024-0015 and its request and recommended referral of the CCR to the Transportation and Infrastructure Committee.

Councilmember Rocha Garcia suggested that the Item could be of interest to the Municipal Utilities Committee (MUC). Peterek stated that there would be coordination with the utility companies on the program but staff recommended follow-up by the Transportation and Infrastructure Committee.

Mayor Nirenberg directed staff to brief the MUC and collect input on utilities in addition to the referral to the Transportation and Infrastructure Committee.

Councilmember Rocha Garcia moved to Refer to Committee. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Rocha Garcia, Cabello Havrda, Pelaez, Courage

5. Council Consideration Request by Councilmember Teri Castillo (District 5) on Community Land Trust Tiered Affordability Policy. [Lori Houston, Assistant City Manager; Veronica Garcia, Director, Neighborhood & Housing Services Department]

Assistant City Manager Lori Houston presented an overview of CCR 2024-0017 and its request and recommended referral of the CCR to the Planning and Community Development Committee.

Councilmember Rocha Garcia noted the importance of the San Antonio Housing Trust (SAHT) to meet the goals of the Strategic Housing Implementation Plan (SHIP).

Mayor Nirenberg recommended a focus on homeownership in addition to renters. He noted that most of the properties acquired by the SAHT were very small and had obstacles to getting cleared for development and recommended a timeline for project delivery so that land did not stay vacant for too long.

Councilmember Rocha Garcia moved to Refer to Committee. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Rocha Garcia, Cabello Havrda, Pelaez, Courage

6. Council Consideration Request by Councilmember Teri Castillo (District 5) on Stay SA: Affordable Housing Bonus Programs to Support Equitable Construction. [Lori Houston, Assistant City Manager; Veronica Garcia, Director, Neighborhood & Housing Services Department]

Assistant City Manager Lori Houston presented an overview of CCR 2024-0020 and its request, which defined affordability bonus programs, and provided examples of other cities' programs. Houston recommended referral of the CCR to the Planning and Community Development Committee.

Councilmember Cabello Havrda clarified that this program would focus on multi-family housing. Councilmember Rocha Garcia supported this as another tool for affordable housing.

Mayor Nirenberg supported the CCR as it supported the goals of the SHIP but cautioned to scale for our community and not rely completely on the Austin, Texas' model.

Councilmember Rocha Garcia moved to Refer to Committee. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Rocha Garcia, Cabello Havrda, Pelaez, Courage

7. Council Consideration Request by Councilmember Manny Pelaez (District 8) on an Elder Fraud Prevention Program. [María Villagómez, Deputy City Manager; William P. McManus, Chief of Police]

Deputy City Manager Maria Villagomez presented an overview of CCR 2024-0018 and its request. She stated that Texas State Senator Jose Menendez and Bexar County Probate Court Judge Veronica Vasquez founded the Elder Abuse and Exploitation Task Force in 2020. Villagomez recommended continued collaboration with the Task Force and other community partners. She recommended that the progress being made on the CCR be presented to the Public Safety Committee in conjunction with another similar CCR. She noted that City staff would propose elder fraud prevention as a priority for the next State and Federal legislative agenda.

Councilmember Pelaez spoke in support of his CCR and stated that he was working with other partners. Mayor Nirenberg recognized Senator Menendez and Judge Vasquez to speak. Senator Menendez provided an update on the work they were doing in the Texas State Legislature. Judge Vasquez stated that the County applied for a U.S. Department of Justice (DOJ) grant for \$800,000 to create a Senior Justice Assessment Center with a holistic view of the victim including support services.

Councilmember Pelaez recommend delaying the Item to a later meeting of the Governance Committee and moved to Lay the Item on the Table.

Councilmember Cabello Havrda expressed concern that tabling the Item would send a message to the community or grantors that the City was not in support of the grants.

Councilmember Pelaez moved to Continue. Councilmember Rocha Garcia seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Rocha Garcia, Pelaez, Courage
No: Cabello Havrda

8. Council Consideration Request by Councilmember Marc Whyte (District 10) on Zero-Base Budget. [María Villagómez, Deputy City Manager; Justina Tate, Director, Office of Management & Budget]

Deputy City Manager Maria Villagomez presented an overview of CCR 2024-0011 and its request and provided a definition of Zero-Based Budget (ZBB) which built the entire City Budget from the ground up by first identifying units of service and associated costs, then quantifying each unit's impact on performance metrics, and finally produce, rank, and select amongst three decision packages: Core, Current, and Enhanced. She stated that Core Services included mandatory programs established by the City Charter, local Ordinances, and State or Federal authorities. Current services were built onto the base-level package and represented all current services provided. Villagomez added that enhanced services built onto the current level and represented expanding current levels or finding efficiencies and savings from the current level.

Villagomez reported that the Office of Innovation looked at other cities' budgeting practices and found that ZBB was rare but other budgeting methods borrowed methods of the ZBB such as Zero Line-item Budgeting and Service Level Budgeting.

Villagomez outlined other Budget methodologies such as Priority-Based Budgeting, Performance-Based Budgeting, and Outcomes-Based Budgeting. She stated that Priority-Based Budgeting would prioritize services based on community priorities, identify the services that offered the highest value and continue to fund them, and started with revenue available rather than last year's expenses. Villagomez noted that Performance-Based Budgeting was a method that focused on measurable objectives, aligned Budgets to specific metrics and performance measures to seek a desired goal, and pushed departments to demonstrate how proposed Budgets contributed to specific objectives and outcomes. Outcomes-Based Budgeting required local governments to think about specific desired outcomes, set clear priorities and regular monitoring of data to determine if outcomes were being met, and encouraged cross-departmental collaboration and collaboration with non-city entities.

Villagomez recommended a hybrid method that incorporated ZBB principles with Outcomes Based Budgeting that focused on community and City Council priorities. She stated that there would be a review of City Services/Programs to determine core services (required by City Charter, Local Ordinances, and State and Federal laws). Villagomez stated that the program would include City Council/Community set service priorities and desired outcomes and would consider existing strategic plans (SA Forward, SA Tomorrow, and the Strategic Housing Implementation Plan (SHIP).

City Manager Erik Walsh closed by stating that the City needed to manage expenses as they related to revenue and it would need to start in FY 2025 as a part of the mid-year Budget so the proposal was to provide and update to City Council as a part of the FY 2025 mid-year Budget with a plan to implement the recommended hybrid method.

Councilmember Whyte, who was not on the Governance Committee spoke as a guest in support of his CCR, the concept of ZBB, and the plan developed by City staff. Councilmember Whyte did

not participate in the discussion.

DISCUSSION:

Councilmember Courage supported ZBB and asked if the staff's plan in mid-FY 2025 would include the principles of ZBB for the departments that could benefit from it.

Councilmember Cabello Havrda thought staff's recommendation was a good compromise as it incorporated elements of different types of budgeting that could result in the best product and Budget for our City. Councilmember Cabello Havrda asked how often the new process would be implemented and whether there would be experts to assist with the process. Villagomez explained that staff would present an implementation plan and timeline which could include a recommendation to hire consultants.

Councilmember Rocha Garcia asked if there was a local consultant that could help. Villagomez stated that the top driver of selecting a consultant would be experience and whether a local firm was available to provide the service. Councilmember Rocha Garcia mentioned that there needed to be a legal determination of what would be considered an essential service in the City Charter or whether the City Charter would need to be updated before we could even do ZBB. City Manager Walsh stated that some things were clear, but others would need to be discussed at the City Council level to determine priorities; the first review would be by staff. Councilmember Pelaez supported ZBB as a continuous improvement process.

Mayor Nirenberg asked what budgeting methodology was used currently. Villagomez stated that the process included elements of ZBB such as when a department requested a new program or improvements for an existing program. Villagomez stated that prior to the COVID-19 Pandemic, the City had been doing comprehensive program reviews and a Priority-Based Budget was performed every year after community surveys, town halls, and City Council priority and Budget Work Sessions. She added that the proposal would be a comprehensive approach and would expand elements of ZBB to departments where the process would work well and use elements of other Budget methodologies.

Mayor Nirenberg wanted to ensure that the priorities of the City Council were the bedrock of the Budget. He noted that the priorities had changed over time and resulted in an 87% approval rating from residents and AAA Bond rating through sound financial policies. City Manager Walsh stated that the City was in a situation now where expenses were growing more than revenues and it was necessary to discuss how to handle that in the future. City Manager Walsh recommended using elements of several methodologies which helped establish needs versus wants and this would provide a view of where the City spent its money by program. He added that the proposed plan was an intense process.

Mayor Nirenberg recognized that a hard look was being taken this year for the FY 2025 Budget and recalled that the City had been performing comprehensive budgeting for years, but warned that it must include the priorities of the City Council which might not be required under the City Charter or State Law. He cautioned against spending money on consultants to get right back to the current processes. Mayor Nirenberg stressed that the Budget needed to be based on equity

and noted that seven years ago the City changed from rough proportionality to an equity-based Budget.

Councilmember Rocha Garcia moved to Approve. Councilmember Cabello Havrda seconded the motion. The motion carried by the following vote:

Aye: Nirenberg, Rocha Garcia, Cabello Havrda, Pelaez, Courage

Adjournment

There being no further discussion, the meeting was adjourned at 3:24 p.m.

Approved

Ron Nirenberg
Mayor

Debbie Racca-Sittre
City Clerk