

**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

Tuesday, August 29, 2023

2:00 PM

Council Briefing Room

The City Council convened a Budget Work Session meeting in the Council Briefing Room beginning at 2:05 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

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

ABSENT: 1 - Pelaez

ITEMS

1. Staff presentation on the FY 2024 Proposed Budget focusing on, but not limited to, the following City Departments or Initiatives: [Erik Walsh, City Manager; Justina Tate, Director, Management & Budget]

A. Employee Compensation and Benefits

B. Economic Development

Councilmember Cabello Havrda requested more detail on wage compression and how this

occurred including some concrete examples from Human Resources. Human Resources Director Rene Frieda stated that due to only having cost of living or across the board pay increases and no step increases in the past several years, some employees were stuck at the beginning of the job's pay range, but the evaluation of compression was an individualized approach to each employee's situation. Councilmember Cabello Havrda supported the COSA Cares Program offering 32 hours per year of leave for mental health and recommended consideration of additional hours.

Councilmember Cabello Havrda recommended additional assistance for the Old Highway 90 Corridor through the Construction Mitigation and Façade Programs. Councilmember Cabello Havrda asked if there was an apprenticeship program. Mike Ramsey, Director of the Workforce Development Office (WDO), stated that the Ready to Work Program (RtW) was developing apprenticeship programs. Councilmember Cabello Havrda suggested employment programs for persons with special needs.

Councilmember Rocha Garcia requested historical information about vacancy rates and the amount of time required to fill a vacancy. Frieda stated that Commercial Drivers License (CDL) Driver's and Finance positions were difficult to fill and described the new Consolidated Hiring Program for administrative and maintenance workers which included a group interview of all departments hiring for the particular position title and noted that the entire process was taking 18 days. Councilmember Rocha Garcia questioned how much of the proposed 4% across the board raise was a cost-of-living increase versus performance. Frieda stated that the adjustments were both cost of living and market driven but did not include performance pay.

Councilmember Rocha Garcia asked about the survey response rate and how the survey was conducted. Frieda stated that there was a 77% response rate, and the survey was completed by an external firm. Councilmember Rocha Garcia recommended wage comparisons with private companies and requested a breakdown of ethnicity and race for employees in each pay plan, managerial and executive positions as well as the number participating in GED programs, tuition reimbursement, and the most popular training offered. Frieda stated that private firms were compared in the wage studies, 263 employees participated annually in the tuition program, Supervisor Excellence was the most popular training, and she would provide the demographic information. Councilmember Rocha Garcia asked how many civilian employees were post 2009 hires, what was the average number of years of service of an employee and what was the cutoff for the raises. Frieda reported that 5,600 of the 13,000 employees were hired after 2009, the average years of service was 8 and all employees hired prior to October 1, 2023 would receive the 4%.

Councilmember Rocha Garcia recommended development of employee focus groups to get more feedback about relevant experience, and a plan for a career ladder. Frieda stated that she held regular employee listening sessions and clarified that Type A employees were given increases based on time in their job, while Type B positions considered relevant experience and noted that a promotion provided a guaranteed raise but acknowledged that more succession planning was needed.

Councilmember Castillo thanked the American Federation of State, County and Municipal Employees (AFSCME) for their input on the pay and benefits and asked how long it took to

process and hire someone. Freida stated that the average processing time was about nine days from selection to an offer, but a start date could be contingent upon the employee giving notice to the current employer and special background checks such as Criminal Justice Information System (CJIS) which took longer. She noted that however, the Consolidated Hiring Process decreased the time from nine days to seven days and overall reduced the 53 days from posting to hiring significantly. Councilmember Castillo noted that some jobs took a higher mental health toll such as Homeless Outreach Coordinators and Community Health Workers and she supported providing more help to those employees.

Councilmember Castillo thanked EDD for the Construction Resource Toolkit and asked what anti-displacement measures could be taken related to the real estate and placemaking programs. Hicks-Sorensen stated that EDD was discussing using the displacement tool used by the Neighborhood and Housing Services Department (NHSD), national models and community benefit agreements often applied to revitalization programs. Councilmember Castillo supported more collaboration with the existing community and businesses relative to placemaking and was pleased with the proposed Main Street America Program.

Councilmember McKee-Rodriguez thanked AFCSME for their advocacy but requested a timeline for the completion of the full compression mitigation plan. Frieda stated that the goal was to address compression in the next two to three years. City Manager Walsh stated that employee compensation was his top priority but would require more money and remarked that this was the largest commitment in the Proposed Budget at \$57 million for FY2024 alone. Councilmember McKee-Rodriguez requested a plan with specific timelines and costs.

Councilmember McKee-Rodriguez recommended more extensive mental health care for certain employees, not just uniformed. He requested a list of vacancies by department, position and pay range and a list of LGC employees by position and wage so he could address any disparities, including employees grandfathered into their pay range before the LGC was instituted.

Councilmember McKee-Rodriguez asked whether there were grants for small businesses impacted by construction in addition to the \$500,000 for marketing. City Manager Walsh stated that \$1.4 million of ARPA had been set aside for the grants. Councilmember McKee-Rodriguez prioritized investment on the east side and recommended community engagement for EDD in Council District 2.

Councilmember Whyte supported \$1.4 million of ARPA funding for construction mitigation grants. He asked about the social media partnership with social media influencers. Assistant EDD Director Ana Bradshaw, stated that they had contracted four social media influencers who worked directly with businesses impacted by construction to help them advertise their establishments. Councilmember Whyte suggested review of these influencers before contracting with them as one of the influencers had posted on social media lobbying for Proposition A, had photos of scantily clad females, showed drug use and made political statements criticizing Mayor Nirenberg and other Texas politicians.

Councilmember Whyte asked how COSA Cares was different from the Psychologist positions in the San Antonio Fire Department. Freida explained COSA Cares was not a position but was

rather a benefit for employees and their household members to access through the City's insurance.

Councilmember Whyte requested clarification on the number of jobs being created through EDD which were down from the previous plan. Hicks-Sorensen stated that the previous plans were created before the COVID-19 Pandemic and the new focus had been more strategic in building higher paying jobs through economic development. Councilmember Whyte recommended using resources more strategically to best promote growth and opportunity for citizens.

Councilmember Alderete Gavito supported pay increases for uniformed employees and access to mental health services for all employees. She requested a comparison of the minimum wage of \$18 per hour with other cities. Frieda stated the minimum entry wage for Austin was \$20.66, Houston \$15, and Dallas \$17.27. Councilmember Alderete Gavito noted that the average time from posting to hire was 53 days but asked what was HEB's timeline since they were the number one employer of choice in San Antonio according to Forbes. Councilmember Alderete Gavito supported discretion for the pay of the LGC.

Councilmember Alderete Gavito was glad the City was investing in small businesses and supported the expansion of the Façade Improvement Grant and the Construction Toolkit. She requested a timeline for the Supply SA Program. Hicks-Sorensen stated that it would take about a year and noted that the Toolkit was available online and in print in both Spanish and English.

Councilmember Rocha Garcia asked how the EDD Data Management Team had helped in the last three quarters and asked of the plan for foreign investment. Hicks-Sorensen stated that they were leveraging the Sister Cities Program and using data to drive decision making. Councilmember Rocha Garcia requested a small business directory. Hicks-Sorensen reported that EDD was contracting with a subscription service and coordinating with Bexar County for "Doing Business As" (DBA) listings. Councilmember Rocha Garcia requested clarification on the funding for the Construction Mitigation Program. Tate reported that the expense was annual recurring.

Councilmember Rocha Garcia asked how many of the 11 participating firms in the Bonding Assistance Program had received contracts with the City and requested a breakdown of the Economic Development Incentive Fund (EDIF) in EDD and workforce incentives.

Councilmember Courage requested more information regarding the accomplishment of the EDIF including job creation numbers and wages. Councilmember Courage requested a breakdown of EDD's Budget by funding source and suggested that they apply for more grants. Hicks-sorensen stated that most of the funds were General Fund with a small amount of ARPA funding noting the department sought grants from the Small Business Administration.

Councilmember Courage requested a breakdown of the \$9.7 million in restricted funds. Tate stated that the total EDIF was \$7.8 million (with \$800k for workforce development programs) and Starbright received \$1.7 million for investments in Toyota, and a small amount (two positions) \$88,000 went into the Capital Improvements Fund to oversee the construction grants.

Tate stated that \$6.3 million in the General Fund was for workforce development agencies: Project

Quest and Alamo Promise. Councilmember Courage stated that he received an email from the Fair Contracting Coalition (FCC) which requested \$5 million for small business promotion. City Manager Walsh stated that he would look at the request and City Council could consider funding the request through an amendment.

Councilmember Courage asked if the City was complete with compression. Freida stated that next year, Human Resources would review the Pay Plan B employees and those Pay Plan A employees who did not get any compression pay adjustment this year. Councilmember Courage recommended development of a multi-year plan to include longevity pay and asked about the average salary of a city employee and whether \$18 per hour starting pay was competitive. Frieda replied that the average salary of a city employee was \$58,000 per year. Walsh stated that the 2022 salaries for all employees would be updated on the website. Frieda noted the local entry wage for CPS Energy was \$18, SAWS was \$17.60, and Bexar County was \$17.54.

Councilmember Kaur supported the 4% across the board raises and asked if LGC employee compression pay would be addressed and requested discretion for LGC salaries. Frieda stated LGC employee compression had been addressed before this was implemented for all city employees. Councilmember Kaur asked about the Construction Mitigation Program. Hicks-Sorensen stated that the goal was to help businesses before they were impacted to understand their needs and prepare. Councilmember Kaur suggested information on the projects from Public Works and timelines as well as stakeholder/small business input. Councilmember Kaur wondered if funding for Launch SA would be removed this year. Hicks-Sorensen stated that the program was budgeted but under procurement to find a provider. Councilmember Kaur recommended including not only the number of jobs created but the number of new businesses created as Launch SA performance measures.

Councilmember Kaur requested more information about the \$1 million Corridor Revitalization Fund. Hicks-Sorensen partnered with Main Street American and would provide an update to the Economic and Workforce Development Committee (EWDC). Councilmember Kaur asked how the plan for FY2023 differed from FY2024. Hicks-Sorensen stated FY2023 focused on internal reviews of processes and policies such as the procurement process and FY 2024 would have business plan and funding recommendations for additional implementation. Councilmember Kaur requested a review of façade improvement grant corridors to ensure no area was left behind and thanked EDD for block walking with her.

Councilmember Castillo asked how many employees had children that were aged 1-5 years who needed access to childcare noting that closed school buildings could be an opportunity for new childcare facilities.

Councilmember McKee-Rodriguez supported equity for small businesses but expressed concern about the Construction Mitigation Program and the façade improvement corridors noting that North New Braunfels Street was being destroyed again because the contractor did a bad job, so while holding them accountable, businesses were continuing to be impacted. He noted that neglected businesses should receive their fair share. Councilmember McKee-Rodriguez asked what the Federal Communications Commission's (FCC's) \$5 million request would achieve.

Councilmember McKee-Rodriguez supported the 12 weeks of parental leave. Freida stated that both parents could receive parental leave, but the birthing mother would receive paid disability leave. Councilmember McKee-Rodriguez asked whether when a LGC went on leave could the council district get an interim. Frieda stated that she would meet individually with the Councilmember to discuss specific needs.

Councilmember Viagran commented that some businesses might not need façade improvements or benefit from social media influencers, but southside small businesses could use a targeted intervention approach specific to their needs. She supported getting the data on the need for childcare for City employees.

Councilmember Whyte commented that he had heard San Antonio was lagging other cities in small businesses and recommended more investment.

Mayor Nirenberg closed the discussion by thanking the departments for their presentations and his colleagues for their comments.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting into Executive Session at 4:01 p.m. to deliberate and discuss 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 related to emergency preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the meeting in Open Session at 4:08 p.m. and announced that no official action was taken in Executive Session.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:08 p.m.

Approved

Ron Nirenberg
Mayor

Debbie Racca-Sittre
City Clerk

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