

State of Texas
County of Bexar
City of San Antonio



Meeting Minutes
City Council B Session

City Hall Complex
San Antonio, Texas 78205

2021 – 2023 Council Members

Mayor Ron Nirenberg

Mario Bravo, 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

Ana Sandoval, Dist. 7 | Manny Pelaez, Dist. 8

John Courage, Dist. 9 | Clayton Perry, Dist. 10

Wednesday, May 11, 2022

1:00 PM

Municipal Plaza Building

The City Council convened a regular meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 1:20 PM. Interim City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 11 – Nirenberg, Pelaez, Courage, Bravo, Perry, McKee-Rodriguez, Rocha Garcia, Viagran, Castillo, Cabello Havrda, Sandoval

ABSENT: None

ITEMS

1. Briefing on FY 2022 Six Plus Six Financial Report, Mid-Year Budget Adjustment Recommendations, FY 2023–FY 2027 Five-Year Financial Forecast, and FY 2023 Trial Budget [María Villagómez, Deputy City Manager; Justina Tate, Director, Management and Budget]

City Manager Erik Walsh introduced the Item and stated that the presented information took into consideration recommendations from the City Council Goal Setting Session. City Manager Walsh provided an overall timeline for the FY2023 Budget Development Process and explained that there was more time included this year and there would be a trial Budget of the Proposed Budget.

Troy Elliott, Deputy Chief Financial Officer, presented options for Property Tax Relief which included information on the taxable value growth expected for FY2023 and historical valuation change between 2011 and 2023 along with the statutory tax limits. Elliott provided a comparison of the current and potential options for homestead exemptions. Elliott listed important dates which included a deadline of July 1, 2022 to implement changes to be effective for 2023.

Justina Tate, Director of the Office of Management and Budget, provided an overview of the FY2022 revenues to date and year-end projections for both the General Fund and Special Revenue Funds. Tate presented the five-year financial forecast, the FY2023 & FY2024 Trial Budget and provided an overview of the Goal Setting Sessions. Tate provided an overview of the next steps in the process which included community input sessions, City Council feedback and work sessions, concluding with the adopted budget session planned for September 15, 2022.

City Manager Walsh reiterated that City Council needed to determine the tax rate or tax relief by June 16, 2022.

Mayor Nirenberg clarified that the staff recommendation included tax relief for property owners most in need and indicated his support of the proposal. Mayor Nirenberg noted that the tax relief would last longer than one year and highlighted the equity budget process that has resulted in uplifting street conditions where they were most needed. Mayor Nirenberg reminded all that the forecast and the Trial Budget were not the actual budget so there was much work to be done.

Mayor Nirenberg commented that voters approved the 2022 Bond Program and wanted to ensure that the priorities outlined in the Strategic Housing Implementation Plan (SHIP) should be funded to support the Housing Bond Proposition. Mayor Nirenberg noted that staffing was added in public safety.

City Manager Walsh explained that some of the new positions were funded through anticipated grants.

Councilmember Rocha Garcia expressed support for an increase in the exemption for Disabled Persons from \$12,500 to a proposed \$85,000. Councilmember Rocha Garcia requested a review of legacy homeowners as a possible State legislative priority since an exemption was not allowed for them. Councilmember Rocha Garcia noted that her requested third brush collection cycle would cost \$0.75 per month which was too much for many residents.

Councilmember Courage requested clarification on the tax freeze for persons over age 65 and

commented that the freeze was transferable if a senior moved elsewhere within the county. Councilmember Courage stated that he was pleased with the increased homestead exemption and other tax relief. Councilmember Courage requested information on the forecasted revenues for enterprise funds. Councilmember Courage recommended a comparison of current employee compensation against the proposed FY2023 and FY2024 Budgets. Tate explained that her presentation showed increases over the current budget.

Councilmember Cabello Havrda expressed concerns about Council District 6 residents having large numbers of homeowners and seniors that were not taking advantage of the exemptions and freezes and requested information about outreach efforts. Councilmember Cabello Havrda expressed support for increasing affordable housing, small business relief, and services for Foster Youth.

Councilmember Cabello Havrda requested trainers and physical therapists for the San Antonio Fire Department (SAFD). Deputy City Manager Villagomez explained that the trainers and physical therapists would be contracted and would be funded with existing funding as confirmed by Fire Chief Charles Hood. Councilmember Cabello Havrda recommended similar services for the San Antonio Police Department (SAPD).

Councilmember Viagran recommended a small business grant program for businesses impacted by City construction projects. Councilmember Viagran stated that she supported tax relief but did not want to negatively impact services or cause a need for additional revenues from CPS Energy or San Antonio Water System (SAWS) to meet the City's future funding needs, particularly for public safety.

Councilmember Viagran recommended including legacy homeowners as a State legislative priority since a homestead exemption was not allowed for them. Councilmember Viagran suggested that tax relief would not be impactful if property values increased. Councilmember Viagran recommended that Public Works develop an updated formula for street and sidewalk improvements.

City Manager Erik Walsh explained that Senate Bill 2 required the City to reduce its tax revenues and added that he was confident that the proposed tax relief would be manageable long-term.

Councilmember Perry expressed support for the proposal because it provided property tax relief, funding for infrastructure, and added Police Officers. Councilmember Perry did not support increasing the street and sidewalk mitigation fee since there was plenty of revenue.

Councilmember McKee-Rodriguez supported the recommended 10% homestead exemption, rate reduction, and noted that appraisals had increased dramatically and asked for a change in the system so property owners did not need to protest every year. Councilmember McKee-Rodriguez supported streets maintenance funding based on the condition of the street and noted that a goal of all streets being at 80% seemed to be an equitable approach. Councilmember McKee-Rodriguez recommended a strategy to provide funding to fill the gaps in street lighting.

Councilmember McKee-Rodriguez recommended the creation of an Office of Crime, Recidivism and Prevention staffed by criminologists and data scientists that were City employees with a goal of reducing crime. Councilmember McKee-Rodriguez recommended more support for Animal Care Services (ACS) and animal rescue organizations. Councilmember McKee-Rodriguez cautioned against adding too many Police Officers or funding to SAPD and was concerned that using grant funds for Police would ultimately increase the City's General Fund costs.

Councilmember Sandoval expressed support for the homestead, senior and disabled persons property tax exemptions, increasing the Neighborhood Access & Mobility Program (NAMP) Budget and funding for a disability status report. Councilmember Sandoval stated that there was no guarantee that landlords would pass along tax relief to their tenants. Councilmember Sandoval recommended funding for the Office of Sustainability. Tate noted that the Office of Sustainability was funded out of the Solid Waste Fund, not the General Fund and that the Trial Budget was focused on the General Fund. Councilmember Sandoval recommended that City Council should weigh in on the Innovation Projects. Councilmember Sandoval supported the recommended infrastructure funding increase and the plan to get all streets to a score of 80 or above.

Councilmember Castillo supported the property tax relief recommendations and recommended an outreach strategy to get more homeowners and seniors to apply for the exemptions. Councilmember Castillo noted that Council District 5 had the highest rate of Code Compliance citations, for mostly overgrown yards, that would cost residents approximately \$300 which was a burden for elderly and low-income residents. She advocated for more funding for assistance.

Councilmember Castillo supported more housing deconstruction, Operation Rebuild, funding to implement the SHIP in addition to the Housing Bond and more outreach workers and funding to keep people from being displaced. Councilmember Castillo recommended \$250,000 to repair parking lots at libraries and parks and supported an increased adoption rate for Animal Care Services. Councilmember Castillo supported the request from SAFD for fire investigators.

Councilmember Pelaez noted that inflation was high and all of the increased costs impacted the City's operational costs but added that tax relief was needed and expressed his support in this effort stating that the City's good fiscal management was to credit. Councilmember Pelaez wanted to review relief in HAZMAT fees for gas station owners. Councilmember Pelaez recommended restoration of the Film Incentive. City Manager Walsh explained that the Film Incentive had been funded by the Hotel Occupancy Tax. Councilmember Pelaez requested clarification on claims related to storm damage and the costs incurred by the City.

Councilmember Bravo compared the property value increases against the proposed tax relief and was concerned that the tools available would not help renters or those with modestly valued homes, noting that this seemed to be a regressive tax situation that could not be improved due to the limitations set by State law. Councilmember Bravo recommended a legislative agenda that included making property tax relief more equitable.

Councilmember Bravo supported the request for more street lighting and noted that CPS Energy had smart streetlights that could detect weather and sounds and recommended utilizing the technology to detect gun shots. Councilmember Bravo supported the creation of an Office of Crime Recidivism and Prevention and recommended more funding for Veterinarians to provide spay/neuter surgeries. Shannon Sims, Director of ACS, reported that the Human Resources Department (HR) had approved a pay rate increase for Veterinarians. City Manager Walsh added that there was also a contract for spay/neuter services.

Councilmember Sandoval supported funding for case management within Code Compliance to help prevent residents from getting a citation. Mike Shannon, Director of Development Services Department (DSD,) stated that the proposal was to add staff to the neighborhood sweeps team who provided education and notices prior to citation. Councilmember Sandoval recommended economic development incentives to create grocery stores and medical facilities in areas that did not have them. Councilmember Sandoval supported the creation of an Office of Crime Recidivism and Prevention.

Councilmember Courage noted that the City annexed some neighborhoods many years ago and the builder or Homeowner's Associations were supposed to maintain the streets and recommended the City address the needs of those streets in its street maintenance program.

Councilmember Viagran wanted to ensure that arts and cultural groups were fully funded, encouraged consideration of arts as an Economic Development Industry, and requested that the City Manager eliminate interim titles within the Department. Councilmember Viagran supported improved recruitment of conventions and business at the Convention Center. Councilmember Viagran supported keeping the Brooks spay/neuter clinic open, homeless program funding through Delegate Agencies to provide more case management, code enforcement for on-street parking, funding to help businesses that were impacted by construction delays, and a budget to address the digital divide. Councilmember Viagran requested information on the Innovation projects and the Library's collection of books and digital materials.

Councilmember Castillo requested clarification on the funding for Economic Development, positions in Streets and Sidewalks and use of increased NAMP funding. Councilmember Pelaez asked Jeff Coyle to explain the process of developing a legislative agenda and requested clarification on the UTSA research contract.

Councilmember McKee-Rodriguez requested a briefing on SAPD's crime prevention efforts. Chief McManus described the "Hot Spots" program that studied violent crime in 7-block areas and informed crime reduction plans and implementation of strategies to reduce crime in the areas. City Manager Walsh noted that UTSA was still working on an analysis of data and factors in those areas to determine the causes of the high crime including recidivism rates for persons arrested within the "Hot Spots." Councilmember McKee-Rodriguez expressed support for the current efforts but reiterated his request for an Office of Crime Recidivism and Prevention and increased

funding for NAMP for a safety program and streetlights. Councilmember McKee-Rodriguez recommended shifting the funding for more Code Officers to Caseworkers.

Councilmember Rocha Garcia recommended a budget for an educational program to help residents to learn how to protest their property taxes, reducing the digital divide, senior center programs, and film incentives. Councilmember Rocha Garcia recommended a legislative agenda to include consideration of COVID as a death in the line of duty for First Responders.

City Manager Walsh stated that he would prepare the tax exemption items for June 16, 2022.

EXECUTIVE SESSION

Mayor Nirenberg stated that there would be no Executive Session held today and Items on the Executive Session agenda would be addressed at the A Session on May 12, 2022.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:15 PM.

Approved

**Ron Nirenberg
Mayor**

Attest:

**Debbie Racca-Sittre
Interim City Clerk**