

**STATE OF TEXAS
COUNTY OF BEXAR
CITY OF SAN ANTONIO**

A BUDGET WORK SESSION AND REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF SAN ANTONIO WERE HELD IN THE MUNICIPAL PLAZA BUILDING, WEDNESDAY, SEPTEMBER 7, 2011 AND THURSDAY, SEPTEMBER 8, 2011, RESPECTIVELY.

The San Antonio City Council convened in a Budget Work Session at 2:00 pm Wednesday, **September 7, 2011**, Municipal Plaza Building, with the following Councilmembers present: Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **ABSENT:** None.

1. STAFF PRESENTATION ON THE FY 2012 PROPOSED BUDGET FOCUSING ON, BUT NOT LIMITED TO, THE FOLLOWING:

D. AVIATION

Item D was addressed first.

Frank Miller stated that the San Antonio International Airport was designated as a medium-sized airport by the Federal Aviation Administration (FAA). He reported that the Aviation Department operated as an Enterprise Fund and was supported entirely by user fees paid by tenants and passengers. He outlined Fiscal Year (FY) 2011 Accomplishments that include the first flight from Terminal B and the first Committee Meeting for the Stinson Master Plan. He noted that the Inline Baggage Handling System was completed in May and the new airline lease agreement was substantially complete. He spoke of the Vision 2050 Master Plan that will serve as a blueprint for future development and reported that the Master Plan recommends \$191 million in capital improvements over the next five years.

Mr. Miller stated that the City Council had adopted an incentive program in 2007 and it was revised in 2011 to promote new, non-stop air service to targeted markets. He reported that in FY 2011, new service began to Kansas City, Cancun, Milwaukee, and additional service to Mexico City. He announced that VivaAerobus and Interjet would begin service to Mexico in November 2011 and that non-stop air service was available to 31 destinations.

Mr. Miller provided the FY 2012 Revenue Budget Summary, noting that they projected to receive \$87.1 million from both Airline and Non-Airline Revenue. He spoke of the performance measures in which they estimate an Enplaned Passenger increase of 2%. He stated that they targeted the operating cost per enplaned passenger at \$11.98 and an airline cost per enplaned passenger at \$7.57. He added that the parking and concession revenue per enplaned passenger was estimated at \$8.64.

Mr. Miller reported that the FY 2012-2017 Airport Capital Improvement Plan Budget totaled \$393.9 million that included funding for Terminal A Renovations and a New Air Traffic Control Tower at Stinson Airport. He spoke of the Customer Facility Charge (CFC) that would be collected by airport rental car companies for the design and construction of a consolidated rental car facility. He reported that the Residential Acoustical Treatment Program was funded by the FAA at 80% and 20% from Passenger Facility Charges. He stated that the program provides retrofits for homes and apartments located within a defined airport noise area and that 827 homes and 216 apartments have been retrofitted

since 2006. He noted that FY 2012 Initiatives would include the execution of an Airline Use and Lease Agreement including the formation of an airline consortium, and Terminal A Food and Beverage Concession Contracts.

Mayor Castro thanked staff for the presentation and asked of the airline cost per enplaned passenger at Houston Intercontinental Bush and DFW Airports. Mr. Miller stated that he would provide that information to the City Council. Mayor Castro asked of the retail leases. Ellen Erenbaum replied that the Airport was able to collect Minimum Annual Guarantees (MAG) and were getting ready to rebid the six leases in Terminal A. She noted that with the new leases, they would like to set a MAG for the first year. For the remaining years, they will apply percentages based on previous year actuals. Mayor Castro referenced the merger between AirTrans and Southwest Airlines and asked if anything else was in the works. Mr. Miller replied that they were looking at taking over the Atlanta Service but did not have any additional information. Mayor Castro asked of additional non-stop destinations. Mr. Miller stated that they would continue to utilize the Blue Ribbon Task Force to determine the feasibility of additional non-stop destinations. He noted that the city had an agreement with AirTrans to apply for slots for non-stop flights to Washington Reagan International if they are made available. He expressed concern that the ability to create slots was halted due to the FAA Reauthorization Bill.

Councilmember Saldaña asked of the Airline Consortium referenced on Slide 9. Mr. Miller replied that the Airlines would create a Consortium among themselves to manage the loading bridges, custodial services, and baggage handling. Councilmember Saldaña asked of the FAA Discretionary Funds. Mr. Miller stated that safety and security-related projects were priorities and that the city had been successful in receiving these funds in the past for roadway improvements.

Mayor Castro asked of the savings when converting to a Consortium, noting that it was important to provide the same level of service while maintaining efficiency. He asked of the current metrics for evaluating city employees and the services they deliver to the end user. Mayor Castro noted that this must be implemented in a methodical manner to ensure an end-user benefit and that metrics must be integrated into the approach. Ms. Sculley stated that the airlines were driving toward the Consortium to keep the costs competitive.

Councilmember Ramos concurred with Mayor Castro regarding metrics for outsourcing and spoke of the importance of investing in Stinson Airport. She asked of the Perimeter Rule and the effect of the AirTrans and Southwest Merger. Mr. Miller replied that they would ensure discussions with Southwest Airlines and would likely see extensions within the existing Reauthorization Bill. He noted that San Antonio is outside the perimeter. Councilmember Ramos asked of the timeline for the Consortium. Mr. Miller replied that it would be based on the airline leases and would work on metrics to ensure that service levels for customers are improved.

Councilmember Chan asked of the formula used to calculate operating and airline costs per enplaned passenger. Mr. Miller replied that operating costs are determined by dividing the total number of operating costs by the total number of departing passengers. He stated that airline cost was comprised by dividing the total airline revenue by the number of departing passengers. Councilmember Chan asked of the low airline cost per enplaned passenger for Dallas Love Field. Mr. Miller stated that debt service was included in San Antonio's cost while there was no debt service for Dallas Love Field. Councilmember Chan asked if analysis had been conducted to capture passengers from smaller markets for non-stop flights. Mr. Miller stated that they would acquire the data. Councilmember Chan asked of the parking fee for Airport Employees. Mr. Miller replied that during the previous budget process, they

had recommended a monthly fee of \$50 for Airport Employees and due to concerns, had decreased it to \$35 a month. He noted that they had decided to implement a phased-in approach and that the fee would increase to \$50 per month beginning in December.

Councilmember Soules referenced Slide 29 and asked of the proposed Customer Facility Charge. Mr. Miller replied that it was proposed for implementation this Fiscal Year and that the total cost of \$128.1 million would be needed to construct the Consolidated Rental Car Facility. Councilmember Soules asked of the status of the homes treated through the Residential Acoustical Treatment Program. Mr. Miller stated that there were still 2,000 homes left to be treated and believed that the FAA would be reluctant to abandon the program since it is being utilized throughout the country.

Councilmember Williams stated that he was pleased with the Capital Improvements Program for Stinson Airport and concurred with Mayor Castro regarding the metrics for the Consortium. He asked of the Consolidated Car Rental Facility. Mr. Miller replied that they would be providing an update to the City Council within the next few weeks and that they had received signed letters of support with the proposed fee of \$4.50 from the airlines. He reported that they fully intend to occupy the facility once it is constructed and will not continue to operate in the terminal building. He added that they understand that there are operating and maintenance costs and that the next step is to receive City Council approval.

Councilmember Lopez asked of discussions with Southwest Airlines regarding the merger with AirTrans. Mr. Miller replied that they have met with Southwest Airlines and they recommended that staff continue meeting with AirTrans. Councilmember Lopez asked if San Antonio was being considered for open slots Washington Reagan International Airport. Mr. Miller stated that discussions were ongoing and that San Antonio was poised to take advantage of new slots if they became available. As requested by Mayor Castro, Mr. Miller reported that the cost per enplaned passenger was \$10.52 for Houston Intercontinental Bush and \$7.76 for DFW.

A. CONVENTION AND VISITORS BUREAU

B. CONVENTION, SPORTS AND ENTERTAINMENT FACILITIES

Maria Villagomez provided an overview of the Hotel Occupancy Tax (HOT) Fund, noting that it accounted for all revenues and expenditures generated from the City's HOT. She reported that the HOT Rate was 16.75% and funds were used to support San Antonio's Tourism, Convention, and Arts and Cultural Programs. She outlined the allocation of HOT Revenue regulated by State Code: 1) At least 50% must be spent on convention and tourism activities; 2) Not more than 15% of tax revenues can be spent on the Arts; and 3) Not more than 15% of tax revenues can be spent on history and preservation. She provided a history of the HOT from 2002-2011 and stated that an estimated \$49 million would be collected in FY 2012.

Mike Sawaya presented on the Convention, Sports, and Entertainment Facilities Department and stated that they oversee the operations and maintenance of the Henry B. Gonzalez Convention Center; Lila Cockrell Theatre; and Alamodome. He reported that they manage leases for Nelson Wolff Stadium; Universidad Nacional Autonoma de Mexico (UNAM); Instituto Cultural de Mexico (MCI); and the Grand Hyatt Hotel.

Mr. Sawaya outlined FY 2011 Accomplishments that include hosting over 585,000 delegates at the Convention Center and completing the new Visitor Services Office with touch-screen technology. He

reported that the \$26 million renovation of the Lila Cockrell Theatre was completed in January and highlighted the Valero Alamobowl and Cowboys Training Camp that occurred at the Alamodome.

Mr. Sawaya indicated that FY 2012 Revenues were projected at \$31.1 million from the HOT Tax, Convention Center, and Alamodome. He referenced the Rate Study conducted in 2008, noting that a four-phase rate adjustment was recommended to align with comparable markets. He noted that the Exhibit Hall Space Rate would be increased from 21 cents per square foot to 23 cents per square foot. He reported that the Municipal Auditorium was conveyed to the Bexar County Performing Arts Center Foundation in June 2008 and closed in June 2011 to begin construction on a new Performing Arts Center.

Mr. Sawaya outlined the performance measures in which they will target 70% Convention Center Exhibit Hall Occupancy and 158 Alamodome Event Days. He spoke of the State Events Trust Fund that enables municipalities to recoup eligible expenses related to hosting approved events. He indicated that the State reimburses the city at a ratio of 86% to 14% and anticipates recovering \$9.5 million in reimbursements in FY 2012. He stated that Convention Center Capital Projects would include restroom renovations and exterior signage. He added that Alamodome Capital Projects would include an Alamodome Structural Examination and Wolff Stadium Seating Replacement.

Cassandra Matej provided an overview of the Convention and Visitors Bureau (CVB), noting that they serve as the Sales and Marketing Arm of the City for Tourism and Conventions. She stated that the industry provides an economic impact of \$11 billion annually; welcomes over 25 million visitors; and employs over 106,000 local employees. She outlined CVB Performance Measures that include booking 847,000 Convention Room Nights and 605,000 Delegates. She highlighted FY 2011 Accomplishments that include booking high profile meetings such as the American Society for Therapeutic Radiology and Oncology; and the Breast Cancer Symposium. She noted that they had generated over \$12 million in positive media value for San Antonio, as well as launched a niche CEO Marketing Plan with top executives to influence San Antonio as their meeting destination.

Ms. Matej reported that the FY 2012 Proposed Budget totaled \$19.7 million and highlighted priorities and initiatives. These include enhancing International Marketing Efforts to Canada, China, Mexico and Europe; and implementation of a Motion Picture Incentive Program. Ms. Matej provided an update of *Destination SA*, noting that it was a vision plan for the visitor industry that incorporated SA2020 and other vision plans.

Councilmember Bernal asked of the qualifying Film Producers and of coordination with the Office of Cultural Affairs. Drew Mayer-Oakes replied that the city's incentives would be based on the State Incentive Program and would be qualified by receipts in which they spent money. He noted that there were three City Incentive Programs and were partnering with the Office of Cultural Affairs on the Local Filmmakers Matching Grant Program. Councilmember Bernal asked of the funds generated at the Alamodome from the UTSA Football Games. Mr. Sawaya replied that concessions generated \$150,000 and all parking lots were sold out. He noted that the cost to operate the facility was \$3 million. Councilmember Bernal asked of maintenance and improvements to the Convention Center since there could be potential movement of buildings. Mr. Sawaya replied that they were required to maintain the building due to booking of future conventions and were making nominal investments on the West Portion of the building.

Councilmember Lopez referenced the low attendance at Wolff Stadium and asked of the investment in seating. Mr. Sawaya replied that it was critical to replace 20-year old seats and that funds from the fees charged would be utilized. Councilmember Lopez asked of the tracking of extended stay rooms available. Ms. Matej replied that they utilized the Smith Travel and Research (STAR) Report that they would share with the City Council and noted that there is healthy growth in limited service and extended stay hotel rooms.

Councilmember Chan commended the CVB for their efforts and was pleased to see that the CVB was working closely with the International and Economic Development Department. She asked of the distribution of the 43,000 hotel rooms. Ms. Matej stated that there were 13,500 hotels in the Downtown Area; 7,000 in the Northeast; 9,000 in the Northwest; 7,000 in the Airport Area; and 2,200 in the South. In response to Councilmember Chan, she noted that the average night stay was 2.8 nights. She added that International Visitors stay longer and that it would be ideal to have convention attendees stay 4-5 nights. Councilmember Chan asked of the composition of the 25 million visitors per year. Steve DeLaHaya reported that there were five million business visitors and 20 million leisure visitors.

Councilmember Chan asked of the available rental space at the Convention Center. Mr. Sawaya replied that Exhibit Hall Space totaled 440,000 sq. ft. and other rental space totaled 200,000 sq. ft. Councilmember Chan asked of the maximum number of days that could be used at the Alamodome. Mr. Sawaya replied that the optimum would be 70% use but most demand was on the weekends.

Councilmember Taylor stated that there may be some low hanging fruit to enhance tourists within the State and Region. She spoke of the potential of marketing the Carver Cultural Center and other similar facilities. She referenced the 25th Anniversary of the Martin Luther King, Jr. March which is the largest in the nation and should be marketed throughout the State and Region. She stated that it was her understanding that African Americans spend more when attending conventions since they use it as a family vacation and this market should be more heavily pursued. She spoke of the need to work on Downtown Parking and access issues for locals.

Councilmember C. Medina referenced Slide 20 and asked of enhancing International Marketing Efforts. Ms. Matej replied that they will collaborate more closely with groups that travel internationally including the Chambers of Commerce and International and Economic Development Department. She spoke of the need to highlight San Antonio and having representatives in China, Germany, and Mexico to grow and collaborate with local entities. Councilmember C. Medina asked of the impact of the UTSA Football Game and the outreach efforts to South Texas. He stated that he was pleased with the outcome on the first game and commended all for their efforts. Mr. Sawaya spoke of the excitement of having a home team to support and reported that 11,000 season tickets had been sold. He recognized UTSA for their outreach efforts, noting that they had hired a great consultant to market the Football Program.

Councilmember D. Medina asked of the Film Industry and the number of jobs created. Mr. Mayer-Oakes replied that they do not track this information but could provide information regarding the Full Time Equivalents created Statewide. He estimated that San Antonio receives 4-8% of the 7,000 Statewide Jobs, noting that it was difficult to track jobs in this industry. Councilmember D. Medina asked of the strategy to increase the number of jobs in the Film Industry. Mr. Mayer-Oakes replied that they were looking for ways to incentivize production and spoke of the three programs that had been implemented. He reported that \$250,000 was included in the city budget over the next two years. Councilmember D. Medina asked of an incentive package for production companies. Mr. Mayer-Oakes replied that it is available online but is not as extensive as the City of Austin. Ms. Matej added that staff

would look into providing an additional incentive such as the “Show Your Badge” Program and follow up with the City Council.

Councilmember Ramos spoke of the great success of the UTSA Football Game and asked of the promotion and advertising of the Missions. Ms. Matej stated that they were promoting same through their marketing materials and would fit in with the health and fitness vision of SA2020. Councilmember Ramos requested that the Rock ‘N Roll Marathon Route be incorporated along the Mission Reach.

Mayor Castro thanked everyone for the presentations and stated that he was pleased with the integration of SA2020 and Economic Development Initiatives. He noted that this was a good time toward a fresh approach with the new marketing firm and highlighted the outreach to CEOs to establish key relationships. He noted that the airport is free marketing space and could be more effectively utilized. He added that he was pleased with the “Own a Holiday” Campaign and the LED Lighting that can be programmed.

C. CULTURAL AFFAIRS AND FUNDING FOR ARTS AGENCIES

Item C was not addressed.

EXECUTIVE SESSION

Mayor Castro recessed the meeting at 5:05 pm to convene in Executive Session for the purposes of:

- A. DISCUSS LEGAL ISSUES RELATED TO REDISTRICTING, PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 (CONSULTATION WITH ATTORNEY).**
- B. DISCUSS LEGAL ISSUES RELATED TO BEXARMET/SAWS PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 (CONSULTATION WITH ATTORNEY).**
- C. DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS AND DISCUSS RELATED ISSUES PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.087 (ECONOMIC DEVELOPMENT). ITEM C WAS NOT ADDRESSED.**
- D. DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL OF REAL PROPERTY AND DISCUSS RELATED LEGAL ISSUES PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.072 (REAL PROPERTY) AND 551.071 (CONSULTATION WITH ATTORNEY). ITEM D WAS NOT ADDRESSED.**

Mayor Pro Tem Lopez reconvened the meeting at 6:10 pm at which time it was noted that the City Council had been briefed on Items A and B above but took no action.

CITIZENS TO BE HEARD

Mayor Pro Tem Lopez called upon the individuals registered to speak.

Mel Feldman invited everyone to attend a photo tribute to 9-11 that would be held at the Barnes and Noble at Loop 1604 and Hwy 281 from September 8-12, 2011. He spoke of term limits, noting that

Councilmembers should serve two 4-year terms and receive a full-time salary. He stated that the City of San Antonio should operate under a Strong Mayor Form of Government and that the Bexar County Commissioner's Court should be abolished. He noted that there were too many school districts and they should be consolidated. He expressed concern with litter in the city and added that he rides the bus and knows a lot about VIA Metropolitan Transit.

Antonio Diaz invited everyone to attend the Indigenous Dignity Day Human Rights March that would be held on October 15, 2011. He stated that this was the 9th year that the march would be held and provided a handout requesting that Columbus Day be abolished.

Terelyn Santos stated that she did not understand how the verification process for Domestic Partner Benefits would work and expressed concern with the associated costs. She noted that approval of Domestic Partner Benefits would be harmful for families and children. She added that domestic partners should have benefits through their own jobs. She spoke of the importance of protecting human life and noted her opposition to funding for teen pregnancy prevention and unplanned pregnancy programs. She stated she was against funding for San Pedro Playhouse due to their lies and blasphemy.

Mike Knuffke expressed opposition to Domestic Partner Benefits and stated that tolerating evil was a grave sin. He spoke of the City of El Paso overturning their approval of Domestic Partner Benefits. He noted that he was promoting common good and that this city is part of a Christian Nation.

Heidi Manti, Ruben Perez, and Dion Sandoval representing SEIU addressed the City Council. Ms. Manti expressed concern with the increase in City Employee Health Care Benefits, noting that the Premier Plan would cost \$10,000 per year. She also spoke in opposition to the \$50 fee to cover spouses and requested that a meeting be held with the Employee Management Committee to determine better solutions. Mr. Perez also expressed concern with the increase in City Employee Health Care Benefits and asked that city staff work with the employees. Mr. Sandoval stated that he has a wife and three children and the increases to City Employee Health Care Benefits will greatly affect them. He asked for assistance from the City Council. Robert Hernandez stated that he was proud to be a City Employee and serves on the Employee Management Committee. He asked that all be treated fairly and referenced the large warehouse fire that various departments helped with.

Nazirite Ruben Flores Perez spoke of Governor Rick Perry running for President of the United States of America. He referenced the Bible and concerns with gay relationships, and added that Satan used idols to trick people.

Deborah Parrish spoke in opposition to Domestic Partner Benefits and funding for the San Pedro Playhouse. She stated that disclaimers needed to be placed at San Pedro Playhouse and provided a handout on her recommendations for their placement.

Frank Montez addressed the City Council in opposition to Domestic Partner Benefits and funding for the San Pedro Playhouse. He stated that Jesus Christ died for our sins and referenced the Second Commandment that states that the name of the Lord should not be taken in vain. He added that homosexuality was not the way of God and that 69% of voters in San Antonio view marriage as one man and one woman.

Pastor Gerald Ripley commended the City Council for their work and good management of the city. He spoke in opposition to the funds allocated for Domestic Partner Benefits and referenced a poll by KSAT-

12 in which 66% of respondents were opposed to same sex Domestic Partner Benefits. He stated that he was speaking on behalf of five Pastor Groups in the city.

Patrick Von Dohlen spoke in opposition to Domestic Partner Benefits and unplanned pregnancy programs. He asked the City Council to be agents of strength which would lead to economic prosperity. He added that society goes as the family goes and referenced the importance of strengthening the family.

Paul Comeaux requested that the San Pedro Playhouse be defunded and spoke in opposition to Domestic Partner Benefits and unplanned pregnancy programs. He asked the city not to promote homosexuality and expressed concern that marriage was being degraded. He noted that the Corpus Christi Play at the San Pedro Playhouse was blasphemous and asked that their funding be given to other agencies in need.

Antonio Diaz spoke of intolerance and noted that Christopher Columbus was sponsored by Spanish Monarchs and the Pope. He expressed concern that Christians were allowed to take the land of savages. He added that all are different and our society should be more tolerant.

Faris Hodge, Jr. submitted written testimony and referenced an article entitled, "Perry vows to fight gay unions." He provided an article stating that the 110-degree weather missed an all-time high. He expressed concern that CPS Energy made a \$5,000 donation to the Republican Party of Texas and requested that the Mayor and City Council take a drug test to set an example for City Employees. He wrote that the city should pay him to advertise for VIA Metropolitan since he rides the bus seven days a week. He asked why there were not enough Black Police Officers within the San Antonio Police Department and expressed concern with the issue of Driving While Intoxicated in the city. He wrote in opposition to strip clubs and requested that there be more driving requirements for elderly drivers.

Irene Burns submitted written testimony in support of funding for the San Antonio Parks and Recreation Music Program. She requested that the program remain intact and that the instruction not be outsourced to contractors. She wrote of her family's experience with the program and added that many others have also benefitted from the program.

ADJOURNMENT

There being no further discussion, Mayor Pro Tem Lopez adjourned the meeting at 7:10 pm.

San Antonio City Council convened in a Regular Meeting on Thursday, **September 8, 2011** at 9:00 am in the City Council Chambers.

ROLL CALL

City Clerk, Leticia M. Vacek, took the Roll Call and noted a quorum of the Council with the following present: Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **ABSENT:** None.

Item 1. The Invocation was delivered by Msgr. Frank Kurzaj, Pastor, St. Paul Catholic Church, guest of Councilmember Cris Medina, District 7.

Item 2. Mayor Castro led the Pledge of Allegiance to the Flag of the United States of America.

Item 3. MINUTES

Councilmember Taylor moved to approve the Minutes for the August 16, 2011 Special City Council Meeting. Councilmember Lopez seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** Ramos.

ITEMS FOR INDIVIDUAL CONSIDERATION

The City Clerk read the caption for Item 4:

Item 4. THE SAN ANTONIO WATER SYSTEM WILL PRESENT THE REVENUE REQUIREMENTS FOR THE SYSTEM FOR THE PROPOSED FY 2012 BUDGET.

Ben Gorzell provided an overview of the process utilized by city staff when reviewing San Antonio Water System (SAWS) and CPS Energy rates. He reported that the first step in the process was the establishment of revenue requirements for the utility. The second step was to review rate structures and determine the allocation of the revenue increase among the different classes of ratepayers. He stated that the third step in the process required city staff review and recommendations.

Robert Puente and Doug Evanson presented the SAWS Budget and Proposed Rate Increase. Mr. Puente spoke of the current challenges that include: 1) Drought Management; 2) Water Supply Acquisition and Integration; 3) Sanitary Sewer Overflows; and 4) Aging Infrastructure. He noted that Wastewater, Water, and improving debt coverage levels were the drivers behind the revenue requirements. He reported that the Proposed Rate Adjustment that would generate \$26.1 million in revenue had a combined effect of 7.9% or \$3.41 increase per monthly residential bill. He stated that SAWS managed water through various methods including the Aquifer Storage and Recovery (ASR) Program, as well as a diversified water supply. He added that their goal was to invest in aging infrastructure; new water supplies; and increase the funding for Affordability Programs.

Mr. Evanson reported that Gross Revenues were required to be pledged in order of priority: 1) Maintenance and Operating Expenses; 2) Debt Service and Reserve Fund Requirement; 3) City General Fund Transfer; 4) Equal Transfer to Renewal and Replacement; and 5) Any Surplus Transferred to Renewal and Replacement. He presented the Sources and Uses 5-Year Forecast through 2016 and reported that the Proposed 2012 Operating and Maintenance Budget totaled \$219 million. He provided an overview of the Capital Improvements Program (CIP) from 2006 to 2011 ranging from \$136.4 million to \$254.9 million, respectively.

Mr. Evanson presented the Proposed CIP from 2012 through 2016 and detailed the Wastewater Infrastructure, and Water Delivery & Supply Requirements. He spoke of the health care cost increases, noting that employees would be required to share more of the cost. He outlined the SAWS Residential Bill Projection from 2012 through 2016 in which each year includes a rate increase. He indicated that Special Service Fees were applied to services for limited groups of customers and that adjusting the fees would generate an additional \$2.1 million.

Mayor Castro asked if the projected rate increases included BexarMet infrastructure or assets. Mr. Puente replied yes and stated that they had reviewed BexarMet capital needs and identified savings of \$20 million. He noted that they were conducting a more thorough review and would have an additional estimate once it was complete. Mayor Castro asked of the status of the Request for Proposals (RFP) for Non-Edwards Water. Mr. Puente replied that he estimated that an agreement will be reached by 2020 for up to 80,000 acre-feet of water. Mayor Castro asked if SAWS had been contacted by the Environmental Protection Agency (EPA). Mr. Puente replied that they had not received any information from the EPA and that SAWS had made significant progress in reducing the amount of wastewater overflows.

Councilmember Williams referenced the Edwards Aquifer Authority (EAA) Fee, noting that the amount used was the worst case scenario. He stated that he believes that the EAA Fee can be worked down over time and asked of the Renewal and Replacement Fund. Mr. Evanson replied that Unrestricted Funds totaled \$120-150 million and target cash funding of the Capital Recovery Program from 30-35%. Councilmember Williams asked of the investment in the Dos Rios Plant. Steve Clouse replied that 60% of the wastewater was funneled through the Dos Rios Plant. Councilmember Williams noted the significant dependence on the Dos Rios Plant and not diversifying resources. He spoke of the importance of justifying rate increase to the ratepayers and recognized SAWS Leadership on addressing the wastewater issues identified by the EPA. He expressed concern with the water supply issue, noting that bringing a deal before the City Council at the end of a two or three-year negotiation was not acceptable.

Councilmember Ramos expressed concern with the high estimated EAA Fee and asked of the timeline for the rate increase. Mr. Evanson replied that they anticipated bringing the item to the City Council on October 13, 2011. Councilmember Ramos asked when the EAA Fee would be approved by the EAA. Mr. Evanson stated that it would be approved in February 2012. Councilmember Ramos requested to meet with SAWS Staff to further discuss the EAA Fee. She asked if the SAWS Budget included a Cost of Living Adjustment (COLA) for employees. Mr. Evanson replied that they budgeted 2.5% for COLA/Merit Increases. Councilmember Ramos requested the amount of funds from the rate increase that would be allocated toward the Affordability Program.

Mayor Castro thanked SAWS for the presentation and called upon the individuals registered to speak on Item 4.

Nazirite Ruben Flores Perez stated that SAWS was doing a great job but expressed concern that pipes are only checked once every two years. He referenced a Federal Lawsuit regarding birds and other animals dying due to water pollution and noted that he was opposed to synthetic fluoride.

Jack M. Finger stated that he was present 10 years ago when the City Council approved a SAWS rate increase to improve their infrastructure and asked what happened to that program. He expressed concern that ratepayers were still paying for same and asked when retirement health care benefits were approved for SAWS Employees.

Faris Hodge, Jr. submitted written testimony in opposition to Items 4 and 5.

There was no action required for Item 4.

The City Clerk read the caption for Item 5:

2011-09-08-0731

Item 5. A PUBLIC HEARING AND CONSIDERATION OF AN ORDINANCE APPROVING THE LEVY OF A SPECIAL ASSESSMENT FOR THE DOWNTOWN PUBLIC IMPROVEMENT DISTRICT (PID); MAINTAINING AN ASSESSMENT LEVY RATE FOR FISCAL YEAR 2012 AT \$0.12 PER \$100.00 VALUE OF REAL PROPERTY IN THE PID AND \$0.09 PER \$100.00 VALUE OF RESIDENTIAL CONDOMINIUMS; AND APPROVING THE FISCAL YEAR 2012 SERVICES AND ASSESSMENT PLAN FOR THE PID.

Mayor Castro declared the Public Hearing open.

Paula Stallcup stated that the public hearing would consider public comments regarding the levy of a special assessment for the Downtown Public Improvement District (PID) and the annual service and assessment plan for the PID. She reported that the purpose of the PID was to supplement services in the Downtown Area by enhancing the overall appearance, aesthetics, and quality of life. She indicated that Centro SA develops an annual plan which details levels of service and budget totaling \$2,590,000.

Ms. Stallcup spoke of the Proposed FY 2012 Service and Assessment Plan, noting that the estimated value of real property in the PID totaled \$1.8 billion. She stated that they recommend maintaining the property assessment rate included in the Service and Assessment Plan at \$0.12 per \$100 valuation for commercial properties and \$0.09 per \$100 valuation for condominium residential properties. She noted that additional PID Revenues include contributions from Bexar County, VIA Metropolitan, and the City of San Antonio for properties within the PID Boundary. She added that the PID plays a key role in maintaining the Downtown Area and that staff recommended approval of the PID Levy and Service and Assessment Plan.

Mayor Castro thanked the Amigos for their work in the Downtown Area and stated that they helped keep the area clean for many large events including the UTSA Football Game.

Mayor Castro called upon Nazirite Ruben Flores Perez to speak.

Mr. Perez spoke in support of the PID and commended the Amigos for their work. He asked that they follow up on an odor in the Downtown Area that could negatively affect the public.

Mayor Castro declared the Public Hearing closed.

Councilmember Bernal moved to adopt the proposed Ordinance. Councilmember Ramos seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** C. Medina and Williams.

CONSENT AGENDA ITEMS 6-21

Consent Agenda Items 6, 9, 15C, 15K, and 17 were pulled for Individual Consideration.

Councilmember Ramos moved to approve the remaining Consent Agenda Items. Councilmember Saldaña seconded the motion.

Mayor Castro called upon the individuals registered to speak on the Consent Agenda.

Nazirite Ruben Flores Perez expressed support for the grant application to the Cancer Prevention and Research Institute of Texas in Item 14. He asked that San Antonio fund cancer research and noted that he was allergic to cats.

Gloria Ramirez, Graciela Sanchez, and Susana Segura addressed the Council on behalf of the Westside Historic Preservation Group in support of Items 11A and 11B. Ms. Ramirez thanked the City Council and staff for their work. She spoke of the importance of the preservation of Casa Maldonado, noting that it was located on a historic block on the Westside. Ms. Segura recognized Mayor Castro for his support of the charette process and stated that the Westside Historic Preservation Group had approved the plan. She added that she was pleased to support the ordinance that would bring jobs to the area and repair and restore Casa Maldonado. Ms. Sanchez stated that it was important to ensure that the individuals that live on the Westside will get living wage jobs. She asked that the retail space be functional for the community and that they would work with the city to ensure outreach and historic preservation of the area.

Jack M. Finger spoke in opposition to the feasibility and engineering study for the Casa Maldonado, noting that he did not believe that the building was historic. He stated that the building was not maintained by the previous owner and that taxpayers should not have to fund the study. For Item 17, he asked if the voters had approved Public Art San Antonio policies and procedures to change the appropriation amount to one percent of eligible capital projects. He asked if the Police Officer responsible for the lawsuit in Item 20 had been reprimanded or made responsible for payment of the \$125,000 settlement.

Virginia Van Cleave read written testimony from Nancy H. Avellar, President of the San Antonio Conservation Society in support of Item 11A. She stated that they supported the preservation of Casa Maldonado and were pleased that options were being explored to save the property rather than demolish it. She noted their concern regarding the utilization of funds allocated and requested that a citizen oversight committee be created to assist with the feasibility and engineering study.

Isabel Sanchez thanked the City Council for their efforts to preserve Casa Maldonado and for listening to the community.

Councilmember D. Medina thanked everyone for coming together to find a solution to preserve the Pink House and recognized Mayor Castro for his efforts.

Mayor Castro stated that he was pleased with everyone working to preserve the structure and create jobs and opportunities on the Westside.

Written testimony was received from Jonathan H. Poston, Director of the National Trust for Historic Preservation Southwest Office in support of Item 11. He wrote that they were interested in the preservation of Casa Maldonado and had been working with various local organizations to save the building. He requested that a representative of their organization be permitted to serve on the project oversight committee.

Faris Hodge, Jr. submitted written testimony in opposition to the purchase of trucks and cars in Item 6, noting that it was a waste of money. He also wrote in opposition to Items 11A and 11B. He submitted written testimony in favor of Items 8, 10, 14-16, 20, and 21. He wrote that back up documentation should be provided for the City Manager's Report Items.

The motion to approve the remaining Consent Agenda Items prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** None.

2011-09-08-0733

Item 7. AN ORDINANCE AWARDED A PROFESSIONAL SERVICE CONTRACT TO S&B INFRASTRUCTURE, LTD. IN THE AMOUNT UP TO \$507,956.33 TO PROVIDE PRELIMINARY ENGINEERING SERVICES FOR FORT SAM AREA PROJECTS, FUNDED FROM THE BRAC PROJECT, AN AUTHORIZED 2009 TAX NOTES FUNDED PROJECT LOCATED IN COUNCIL DISTRICTS 2 AND 10.

2011-09-08-0734

Item 8. AN ORDINANCE AUTHORIZING AN ERROR AND OMISSIONS CHANGE ORDER IN THE ADDITIVE AMOUNT OF \$102,960.00 TO THE \$5,950,869.62 CONSTRUCTION CONTRACT WITH E-Z BEL CONSTRUCTION, L.L.C. FOR THE ZARZAMORA DRAINAGE #39, PHASE I PROJECT, AN AUTHORIZED 2007-2012 GENERAL OBLIGATION BOND FUNDED PROJECT LOCATED IN COUNCIL DISTRICT 5.

2011-09-08-0736

Item 10. AN ORDINANCE AUTHORIZING A TWO-YEAR LEASE AGREEMENT WITH THE PORT OF SAN ANTONIO BY THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT TO LEASE 2,412 SQUARE FEET IN BUILDING 1537 LOCATED AT 280 ROBERT DOVER STREET TO STORE EQUIPMENT AND MEDICAL SUPPLIES REQUIRED IN THE EVENT OF EMERGENCY OR DISASTER, FOR A RENTAL RATE OF \$3,000.00 ANNUALLY IN YEAR ONE AND \$3,100.00 ANNUALLY IN YEAR TWO.

Item 11. CONSIDERATION OF ORDINANCES RELATED TO THE AVENIDA GUADALUPE ASSOCIATION, INC.'S PROMESA PROJECT, A MULTI-FACETED ECONOMIC AND NEIGHBORHOOD REVITALIZATION PROJECT ON THE CITY'S WESTSIDE IN CITY COUNCIL DISTRICT 5.

2011-09-08-0737

- A. AN ORDINANCE APPROVING A FUNDING AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND AVENIDA GUADALUPE ASSOCIATION, INC. UTILIZING CITY RESOURCES IN AN AMOUNT OF UP TO \$100,000.00 ON A REIMBURSEMENT BASIS FOR AVENIDA GUADALUPE ASSOCIATION, INC. TO COMMISSION A DETAILED FEASIBILITY AND ENGINEERING STUDY WITH

DESIGN SOLUTIONS AND PRECISE COST ESTIMATES OF THEIR BUILDING AT 1312 GUADALUPE STREET TO PROVIDE FOR ITS PRESERVATION UTILIZING REHABILITATION OPTIONS CONSISTENT WITH THE SCOPE OF WORK IDENTIFIED WITHIN THE STUDY.

2011-09-08-0738

- B. AN ORDINANCE DECLARING AS SURPLUS AND AUTHORIZING THE SALE OF AN UNIMPROVED 0.543 ACRE TRACT OF LAND OUT OF LOT 42, BLOCK 1, NCB 2444 LOCATED AT 1310 GUADALUPE STREET TO AVENIDA GUADALUPE ASSOCIATION, INC. FOR \$31,005.00; AND, AMENDING THE EXISTING LEASE BETWEEN AVENIDA GUADALUPE ASSOCIATION, INC. AND THE CITY OF SAN ANTONIO TO REMOVE THIS 0.543 ACRE TRACT OF LAND FROM THE LEASED PREMISES.

2011-09-08-0739

Item 12. AN ORDINANCE AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION AND ACCEPTANCE OF FUNDS FOR BOTH A COMMUNITY - MILITARY PARTNERSHIP STUDY GRANT AND FOR A PARTNERSHIP OPERATIONAL SUPPORT GRANT FROM THE OFFICE OF ECONOMIC ADJUSTMENT IN THE TOTAL AMOUNT OF \$810,600.00 FOR THE CONTINUING OPERATION OF THE CITY'S OFFICE OF MILITARY AFFAIRS; AND AUTHORIZING IN KIND MATCH SUPPORT.

2011-09-08-0740

Item 13. AN ORDINANCE AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE MARCH OF DIMES TEXAS CHAPTER AND THE ACCEPTANCE OF FUNDS UPON AWARD FOR AN AMOUNT NOT TO EXCEED \$26,500.00 FOR THE MARCH OF DIMES PARTNER APPLICATION GRANT FOR A TERM BEGINNING DECEMBER 1, 2011 THROUGH NOVEMBER 30, 2012.

2011-09-08-0741

Item 14. AN ORDINANCE AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE CANCER PREVENTION AND RESEARCH INSTITUTE OF TEXAS (CPRIT) FOR THE CPRIT EVIDENCE-BASED CANCER PREVENTION SERVICES GRANT AND AUTHORIZING THE ACCEPTANCE OF FUNDS UPON AWARD FOR AN AMOUNT NOT TO EXCEED \$350,000.00 FOR A TERM BEGINNING MARCH 1, 2012 THROUGH FEBRUARY 28, 2015.

Item 15. CONSIDERATION OF THE FOLLOWING BOARD, COMMISSION AND COMMITTEE APPOINTMENTS FOR THE REMAINDER OF UNEXPIRED TERMS OF OFFICE TO EXPIRE MAY 31, 2013, TO BE EFFECTIVE IMMEDIATELY UPON THE RECEIPT OF EIGHT AFFIRMATIVE VOTES, OR, IN THE EVENT EIGHT AFFIRMATIVE VOTES ARE NOT RECEIVED, TEN DAYS AFTER APPOINTMENT; OR FOR TERMS AND EFFECTIVENESS AS OTHERWISE INDICATED BELOW:

- A. APPOINTING ARLENE B. FISHER (DISTRICT 1, CATEGORY: COMMUNITY) AND REAPPOINTING KEITH PYRON (DISTRICT 9, CATEGORY: COMMUNITY) TO THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE.
- B. REAPPOINTING RICHARD N. BERRY (DISTRICT 9, CATEGORY: PROVIDER OF HANDICAPPED SERVICES) TO THE DISABILITY ACCESS ADVISORY BOARD.
- D. REAPPOINTING AMY L. MIDDLETON (DISTRICT 9) TO THE MAYOR'S COMMISSION ON THE STATUS OF WOMEN.
- E. REAPPOINTING EDWARD V. SEBERA, JR. (DISTRICT 9, CATEGORY: LAYPERSON/CONSUMER) TO THE PLUMBING AND FUEL GAS APPEALS AND ADVISORY BOARD.
- F. REAPPOINTING WAYNE S. ALEXANDER (DISTRICT 9) TO THE PORT AUTHORITY OF SAN ANTONIO FOR A TERM OF OFFICE TO COMMENCE DECEMBER 1, 2011 AND TO EXPIRE NOVEMBER 30, 2013.
- G. REAPPOINTING AURIEL S. DOSS (DISTRICT 9) AND MEGAN I. RODRIGUEZ (DISTRICT 9) TO THE SAN ANTONIO YOUTH COMMISSION.
- H. APPOINTING EVELYN BROWN (DISTRICT 2), EDWARD CABEL (DISTRICT 9), AND MOISES A. CRUZ (MAYORAL) TO THE BUILDING STANDARDS BOARD FOR TERMS OF OFFICE TO COMMENCE JANUARY 1, 2012 AND TO EXPIRE MAY 31, 2013.
- I. REAPPOINTING RITA C. BRAEUTIGAM (DISTRICT 9, CATEGORY: LAYPERSON) TO THE ANIMAL CARE SERVICES ADVISORY BOARD.
- J. APPOINTING COSIMA T. COLVIN (DISTRICT 1) TO THE LINEAR CREEKWAY PARKS ADVISORY BOARD.
- L. REAPPOINTING MARIANA S. ORNELAS (DISTRICT 1) TO THE ZONING COMMISSION.

2011-09-08-0742

Item 16. AN ORDINANCE AUTHORIZING AN AGREEMENT WITH THE TEXAS ENGINEERING EXTENSION SERVICE AT TEXAS A&M UNIVERSITY FOR LIVE FIRE AIRCRAFT RESCUE AND FIRE FIGHTING TRAINING AT A COST OF \$69,000.00.

2011-09-08-0744

Item 18. AN ORDINANCE AUTHORIZING THE EXTENSION OF LINE OF DUTY LEAVE FOR FIRE APPARATUS OPERATOR DERECK HILLYER.

2011-09-08-0745

Item 19. AN ORDINANCE AUTHORIZING THE EXTENSION OF LINE OF DUTY LEAVE FOR FIRE ENGINEER RUDOLPH MAZON.

2011-09-08-0746

Item 20. AN ORDINANCE AUTHORIZING THE SETTLEMENT OF A LAWSUIT STYLED *JACOB SANCHEZ V. CITY OF SAN ANTONIO, ET AL* IN THE 407TH DISTRICT COURT OF BEXAR COUNTY, TEXAS, CAUSE NO. 2009-CI-18615, FOR THE AMOUNT OF \$125,000.00, PAID FROM THE SELF-INSURANCE LIABILITY FUND.

Item 21. CONSIDERATION OF THE FOLLOWING ORDINANCES:

2011-09-08-0747

- A. AN ORDINANCE AUTHORIZING A REVENUE CONTRACT FOR AN ANNUAL AMOUNT OF \$3,300,000.00 PER CONTRACT YEAR WITH UNITED ROAD TOWING, INC. D/B/A UR VEHICLE MANAGEMENT SOLUTIONS TO CONDUCT ABANDONED VEHICLE AUCTION OPERATIONS FOR THE SAN ANTONIO POLICE DEPARTMENT FOR AN INITIAL TERM OF FOUR YEARS, WITH TWO ONE-YEAR OPTIONS.

2011-09-08-0748

- B. AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT FOR OPERATION AND MAINTENANCE OF THE GROWDON ROAD VEHICLE STORAGE FACILITY WITH UNITED ROAD TOWING, INC. TO ADD ETHICAL CONDUCT PROVISIONS.

[CONSENT ITEMS CONCLUDED]

ITEMS PULLED FOR INDIVIDUAL CONSIDERATION

The City Clerk read the caption for Item 6:

2011-09-08-0732

Item 6. AN ORDINANCE ACCEPTING THE BIDS FROM ANCIRA MOTOR COMPANY, CALDWELL COUNTRY FORD, GRANDE TRUCK CENTER, GRAPEVINE DODGE, CHRYSLER, JEEP, AND PHILPOTT MOTORS TO PROVIDE ANIMAL CARE SERVICES, CONVENTION SPORTS AND ENTERTAINMENT FACILITIES, CODE ENFORCEMENT SERVICES, DOWNTOWN OPERATIONS, FIRE, HEALTH, PARKS AND RECREATION, POLICE, PUBLIC WORKS, PURCHASING AND GENERAL SERVICES, AND SOLID WASTE MANAGEMENT DEPARTMENTS WITH UP TO NINETY-ONE (91) VARIOUS LIGHT DUTY TRUCKS AND VANS FOR A TOTAL COST OF \$2,827,751.68; FUNDED BY THE EQUIPMENT RENEWAL AND REPLACEMENT FUND.

Councilmember Saldaña asked for discussion of the purchase of vehicles. Ben Gorzell replied that the Ordinance would authorize the purchase of 81 replacement vehicles and an additional 10 vehicles during the year if needed. Councilmember Saldaña asked of the purchase of energy efficient vehicles. Majed Al-Ghafry replied that they are conducting a fuel alternative study that should be completed in 6-8 weeks. He stated that they currently have 120 propane trucks, 30 CNG Solid Waste Vehicles, and

numerous hybrid sedans. He added that in terms of operation, repairs and maintenance, a strategic plan will be implemented as a result of the study. Councilmember Saldaña asked of the proceeds from the sale of used vehicles. Mr. Al-Ghafry replied that the funds were deposited in the Equipment Renewal and Replacement Fund and the city received approximately 20% of the value of the vehicle.

Councilmember Saldaña moved to adopt the proposed Ordinance. Councilmember Ramos seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** None.

The City Clerk read the caption for Item 9:

2011-09-08-0735

Item 9. AN ORDINANCE AUTHORIZING A CHANGE ORDER IN THE INCREASED AMOUNT OF \$546,800.00 TO THE \$2,187,400.00 AMOUNT OF THE CITY'S PORTION OF THE CONTRACT FOR THE FY 2010-2011 INDEFINITE DELIVERY CONTRACT (IDC) WITH PRONTO SANDBLASTING & COATING & OIL FIELD SERVICES CO., INC.

Councilmember Chan expressed concern with the amount of the change order and asked of the Indefinite Delivery Contracts (IDC). Mr. Al-Ghafry stated that the change order is very favorable due to the cost and time efficiencies. He noted that each IDC has the capacity to work on several projects; currently and in the future. He added that the amount of the contract can be increased by 25%. Councilmember Chan asked of other IDC Contractors that have not exceeded their capacity. Mr. Al-Ghafry replied that this IDC Contractor was being recommended due to the favorable concrete pricing. Councilmember Chan asked if they were looking at the unit prices. Mr. Al-Ghafry replied that they were and that they try to maximize the capacity. He stated that there were 11 IDC Contractors with capacity ranging from \$2-6 million and some had exhausted their capacity.

Councilmember Ramos asked of the quality of work of Pronto and asked of the history of the company. Mr. Al-Ghafry replied they are very responsive and their pricing is favorable. He stated that they are a small, minority business and they are performing well.

Councilmember Williams thanked staff for moving forward with the Asphalt Crack Repair Program.

Councilmember Chan moved to adopt the proposed Ordinance. Councilmember Ramos seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, and Mayor Castro. **NAY:** None. **ABSENT:** Soules.

The City Clerk read the caption for Item 15C:

Item 15C. APPOINTING CHARLES A. JOHN (DISTRICT 9, CATEGORY: GENERAL) AND REAPPOINTING TIMOTHY B. CONE (DISTRICT 1, CATEGORY: PLANNING) TO THE HISTORIC DESIGN AND REVIEW COMMISSION.

Councilmember Chan stated that she was withdrawing the name of Charles A. John due to scheduling issues. Councilmember Chan moved to appoint Timothy B. Cone to the Historic Design and Review Commission. Councilmember Bernal seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** Saldaña.

The City Clerk read the caption for Item 15K:

Item 15K. APPOINTING CYNTHIA E. SPIELMAN (DISTRICT 1) TO THE SAN ANTONIO PUBLIC LIBRARY BOARD OF TRUSTEES FOR A TERM OF OFFICE TO COMMENCE OCTOBER 1, 2011 AND TO EXPIRE SEPTEMBER 30, 2013.

Councilmember Bernal moved to approve the reappointment of Jean Brady to the San Antonio Public Library Board of Trustees. Councilmember Ramos seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Ramos, D. Medina, Lopez, C. Medina, Williams, Chan, Soules, and Mayor Castro. **NAY:** None. **ABSENT:** Saldaña.

The City Clerk read the caption for Item 17:

2011-09-08-0743

Item 17. AN ORDINANCE AMENDING THE PUBLIC ART SAN ANTONIO POLICIES AND PROCEDURES BY CHANGING THE APPROPRIATION AMOUNT FOR PUBLIC ART FROM "UP TO ONE PERCENT" TO "ONE PERCENT" OF ELIGIBLE CAPITAL PROJECTS AND REQUIRING THAT FUTURE PUBLIC ART PROJECTS AND DONATIONS MEET THE REQUIREMENTS FOR CONSERVATION AND MAINTENANCE.

Councilmember Soules asked if there had been significant changes from what had been presented in May. Felix Padron stated that there had been several changes and provided a summary of the revisions. He noted that the existing funding language of "Up to 1%" was revised to "1%" and that maintenance and conservation of art was highlighted under a new policy section. He mentioned that the 1% was applicable to the Capital Improvement Program that included Bond Issued Projects and that the 1% would not be applied to non-bond projects with budgets of less than \$500,000.

Mr. Padron reported that criteria for the Annual Public Art Plan was developed to ensure an overall balance of projects throughout the city. He stated that donations of art to the city must include a monetary donation of at least 5% of the artwork's value to support long-term care of the public art collection.

Councilmember Soules asked of the amount spent on public art over the last five years and the amount that would be spent on the 2012 Bond Program. Mr. Padron confirmed that \$2.7 million was spent over the last five years and \$5.9 million would be spent through the 2012 Bond Program. Councilmember Soules asked of the funds that would be utilized for the Capital Improvement Program (CIP). Mr. Frisbie replied that many of the projects in the CIP were already in progress and the 1% would not apply to those projects. Councilmember Soules stated that he was supportive of public art but expressed concern with the increase in magnitude due to the current economic conditions.

Mayor Castro stated that San Antonio ranked last compared to large cities in regard to public art spending. Mr. Padron stated that public art should be an economic development strategy to employ artists and bring tourists to the city. Mayor Castro stated that it was important to ensure that investments were making an impact on the city and that public art was a significant component of San Antonio.

Councilmember Bernal expressed his support and spoke of the great amount of talent and interest in art throughout the city. He stated that public art is an economic generator and that 1% was a small amount to invest. He asked of the implementation of the public art program on non-bond projects. Mr. Padron replied that staff would review each of the projects adopted in the CIP and staff would work with the community and City Council to develop an Annual Art Plan. He stated that the selection of artists would be led by the Public Art Board with a great amount of public input.

Councilmember Chan stated that public art was very important because it improves the quality of life and enhances the visitor experience. She noted that art is expensive and if the funds are available; they should be used on significant projects. She asked of the Public Art Board's Vision. Alice Foulz stated that their goal was to focus on tourists' experiences of public art throughout the city, especially in the Downtown Area. She added that they would like to utilize a combination of local, national, and international artists.

Councilmember Saldaña asked for examples of current public art. Mr. Padron spoke of the installation at the Mission Branch Library that cost \$70,000 which represented 1% of the total project budget. Councilmember Saldaña expressed his support and stated that he would like for the program to extend beyond the Downtown Area.

Councilmember Bernal moved to adopt the proposed Ordinance. Councilmember Chan seconded the motion.

The motion prevailed by the following vote: **AYES:** Bernal, Taylor, Saldaña, D. Medina, Lopez, C. Medina, Williams, Chan, and Mayor Castro. **NAY:** Soules. **ABSENT:** Ramos.

Item 22. CITY MANAGER'S REPORT

A. OFFICE OF HISTORIC PRESERVATION UPDATE

Ms. Sculley reported that the Office of Historic Preservation hosted the Third Annual Historic Homeowner Fair on August 27, 2011 at Jefferson High School. She stated that over 500 individuals attended and received a free Historic Homeowner Handbook. She noted that the Fair was funded through sponsorships and other donations and served as a great resource for the community. She mentioned that the Fair was recommended as part of the Strategic Historic Preservation Plan adopted two years ago.

B. CODE ENFORCEMENT UPDATE

Ms. Sculley provided an update on the Chronic Code Violators throughout the city, noting that of the 30 properties identified over the past three years; 23 have been brought into compliance. She stated that staff was continuing to work on the other properties to bring them into compliance. She added that staff would continue to identify Chronic Code Violators and aggressively pursue compliance.

Mayor Castro thanked staff for their work on Historic Preservation and Code Enforcement.

RECESSED

Mayor Castro recessed the meeting at 12:05 pm to break for lunch and announced that the meeting would resume at 2:00 pm for Executive Session.

RECONVENED

Mayor Castro reconvened the meeting at 2:10 pm.

EXECUTIVE SESSION

Mayor Castro recessed the meeting at 2:10 pm to convene in Executive Session for the purposes of:

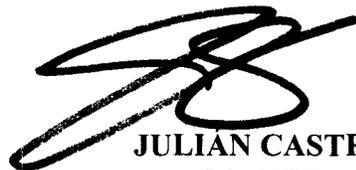
- C. DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS AND DISCUSS RELATED ISSUES PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.087 (ECONOMIC DEVELOPMENT).**
- D. DELIBERATE THE PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL OF REAL PROPERTY AND DISCUSS RELATED LEGAL ISSUES PURSUANT TO TEXAS GOVERNMENT CODE SECTIONS 551.072 (REAL PROPERTY) AND 551.071 (CONSULTATION WITH ATTORNEY).**

Mayor Castro reconvened the meeting at 2:55 pm at which time it was noted that the City Council had been briefed on Items C and D above but took no action.

ADJOURNMENT

There being no further discussion, Mayor Castro adjourned the meeting at 2:55 pm.

APPROVED



**JULIAN CASTRO
MAYOR**

Attest:



LETICIA M. VACEK, TRMC/CMC
City Clerk