

**State of Texas
County of Bexar
City of San Antonio**



**FINAL
Meeting Minutes
City Council B Session**

City Hall Complex
114 W. Commerce
San Antonio, Texas 78205

Wednesday, November 6, 2013

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the "B" Room of the Municipal Plaza Building at 2:00 pm with the following Councilmembers present: Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Soules, and Mayor Castro. ABSENT: None.

Item 2 was addressed first.

2. Interview of Applicants and Selection of 3 Finalists for the District 9 City Councilmember vacancy. [Leticia M. Vacek, City Clerk]

Mayor Castro welcomed the District 9 Applicants and thanked them for submitting their application to serve on the City Council. He asked the Applicants to make a statement on their background and qualifications, vision for the District, and what makes them able to represent the District effectively. He stated that the City Council would ask questions following the individual statements. He noted that in an effort to be fair, Applicants would be seated in a separate room until they were called.

Mayor Castro and the City Council interviewed the following applicants in the order that applications were received. He stated that Marina L. Narvaez had withdrawn her application and would not be interviewed.

- 1) Arthur J. Downey
- 2) Donald Oroian
- 3) Robert H. Leonard
- 4) Bert T. Cecconi
- 5) Richard R. Brewer
- 6) John G. Leech
- 7) Paula J. McGee
- 8) Joseph R. Krier
- 9) Robert W. Stanley
- 10) J. Steve Elliott
- 11) Robert D. Hudnall

Mayor Castro recessed the meeting into Executive Session at 4:17 pm to discuss the following:

- A. Deliberate the appointment and duties of a public officer and discuss related legal issues pursuant to Texas Government Code Section 551.074 (personnel matters) and Texas Government Code Section 551.071 (consultation with attorney).

Mayor Castro reconvened the meeting at 4:48 pm and announced that no action was taken in Executive Session. He again thanked everyone that applied for the District 9 Vacancy and noted that the district would be served well by any of the Applicants.

Councilmember Lopez moved to interview Paula J. McGee, Arthur J. Downey, and Joseph R. Krier at the City Council Meeting the following day. Councilmember Bernal seconded the motion.

The motion prevailed by the following vote: Bernal, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Soules, and Mayor Castro. ABSENT: Taylor.

Item 1 was addressed at this time.

1. The Office of Public Utilities will provide its professional recommendation on the Proposed SAWS FY2014 Rate Adjustment [Ben Gorzell, Chief Financial Officer]

Ben Gorzell presented information on the San Antonio Water System (SAWS) Rate Proposal. He reported that the Bond Ordinance Revenue Requirements state that funds shall be pledged and appropriated in order of priority. He spoke of the Comprehensive Review conducted by Public Utilities Staff that focused on the Economic/Rate Model; Revenue Requirements; Capital Budget; Operations & Maintenance Budget; Financing Plan; Affordability Programs; Credit Considerations; Implementation of Prior Year Recommendations; and Review of Sales Forecast.

Mr. Gorzell reported that SAWS had established an Innovation and Efficiency Team and that an Efficiencies Review had been conducted by outside consultants. He stated that SAWS would continue to comprehensively evaluate Pension, Health, and other Benefits. He noted that they had implemented accountability procedures for the Sanitary Sewer Overflow (SSO) Program and would resume briefings with the City Council with a focus on significant policy issues. He added that they would discuss the Rate Structure Review Process with the City Council and provide updates throughout the process.

Mr. Gorzell explained the SAWS Capital Prioritization method noting that they used the Failure Modes and Effects Analysis (FMEA) Model to qualify and quantify risk to the system. He reported that City Staff met with SAWS Management and Staff from each Business Area and reviewed the 5-Year Capital Improvement Program Forecast. He noted that City Staff focused on the 2014 Proposed Capital Spending Plan totaling \$391.2 million. He highlighted the FY 2014 Operations & Maintenance Budget and mentioned that 41 positions were eliminated which yielded a reduction of \$2.7 million in salaries. He indicated that they had reviewed the financial position of the System and adequacy of cash flows under the Bond Indenture. Regarding the Affordability Program, he stated that discounts would be increased to help mitigate the impact of the rate change. He reported that the net impact to the city if the rate increase is effective on January 1, 2014 is \$324,000. Lastly, he recommended approval of the proposed 5.1% system average increase in SAWS Water and Wastewater Rates effective January 1, 2014.

Mayor Castro thanked staff for the presentation and asked if SAWS had been responsive to the Council's concerns. Mr. Gorzell replied that SAWS had been responsive and they were moving in the right direction.

Councilmember Soules stated that he felt SAWS was heading in the right direction but expressed concern with the Proposed Two-Year Increase.

Mayor Castro announced that the remaining Executive Session Items (B-F) would be addressed on Thursday following the pulled items.

- B.** Discuss legal issues related to outdoor advertising pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- C.** Discuss legal issues relating to boarding houses pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D.** Discuss legal issues related to an audit of cable franchise and Public Education and Government Access fees pursuant to Texas Government Code Section 551.071 (consultation with attorney).

- E. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).
- F. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).

EXECUTIVE SESSION ITEMS B-F WERE NOT ADDRESSED ON WEDNESDAY.

RECESSED

Mayor Castro recessed the meeting at 5:18 pm and announced that the meeting would resume at 5:45 pm to address the Ceremonial Item.

RECONVENED

Mayor Pro Tem Saldaña reconvened the meeting at 5:45 pm and addressed the Ceremonial Item.

CEREMONIAL ITEM

Mayor Pro Tem Saldaña presented a Proclamation in recognition of the 13th Annual Veterans Day Parade that would be held on Saturday, November 9, 2013 at Noon at Avenue E and Third Street. It was noted that the event is organized by the U.S. Military Veterans Parade Association, a group of citizens formed to honor Veterans that have served in all military branches. It was also noted that this year's Grand Marshal would be Major Roger Bermea.

CITIZENS TO BE HEARD

Councilmember Taylor called upon the citizens registered to speak.

Marisol Cortez spoke in favor the demands made by the Re-Energize San Antonio Coalition and spoke against the CPS Energy Rate Hike. She suggested implementing a Neighborhood Program to make the Casa Verde Weatherization Program more effective and better marketed. She noted that CPS Officials expressed interest in the idea and inquired of ways to implement such a plan.

Rose Kanusky spoke against the closure of South Main Avenue proposed by HEB. She noted that HEB is currently developing on the Flores Street and is not seeking its closure. She expressed concerns of the true intentions regarding the closure of South Main Avenue.

Vincent Casiano, Elliot Cruz, and John Cruz addressed the City Council representing Advocates for the Diversified. Mr. Casiano expressed concerns of possible Hate Crimes being committed against Gay Males on North Main Avenue. He requested that the City Council ensure their safety and asked what efforts would be made in doing so. Mr. Elliot Cruz spoke in support of increased Police presence in the area where the assaults were occurring. He expressed concern that Drag Performers were being targeted and was concerned for the victims and their safety. Mr. John Cruz also expressed concern for the victims and their safety.

Diana Lopez spoke against the CPS Energy Rate Increase. She stated that she had reached out to citizens at two separate CPS Energy Pay Stations and educated them about the rate increase. She expressed concern regarding the negative impact to low income families and spoke in support of Solar Panels.

Terry Burns spoke against the CPS Energy Rate Increase and in favor of Re-Energize San Antonio's efforts. He stated that Solar Power and energy efficiency should be encouraged, as well as advancing the Casa Verde Weatherization Program. He expressed concerns with the negative impact to low income families and added that the Southwest Nuclear Power Plant should be shut down.

Annette Anderson spoke of the District 9 Appointment Process and the individuals that applied.

Meredith McGuire spoke against the CPS Energy Rate Increase. She stated that the City should make energy and water available to all citizens regardless of their ability to pay. She suggested that SAWS and CPS implement a Sharply Structured Tired Rate System to discourage waste.

Deborah Wright spoke of Zoning Case Z2014007 and submitted a photograph of Flournoy Property, Hamilton Wolfe Multi Family Schematic Site Plan, and a letter she wrote to the City Council. She stated that the case refers to a vacant lot in the Cinnamon Creek Subdivision and expressed concern that building codes have changed. She requested that the City Council deny the rezoning request.

Alice Canestaro-Garcia spoke against the CPS Energy Rate Increase and in favor of a Tired Rate Structure. She requested that the City Council vote on Incentive Pay for CPS Energy Employees who make greater than \$100,000. She expressed concern with the rate impact to low income families and spoke against funding the South Texas Nuclear Plant.

Mark Perez expressed concerns with businesses operating without the appropriate permits and noted that the AGE Refinery continues to grow. He stated that trucks are driving on Quintana Road near schools which may affect air quality. He expressed concern with City Staff who had not responded to his requests.

Cyrus Reed spoke against the CPS Energy Rate Increase and provided a Petition submitted to

CPS. He stated that CPS Energy has met half of the energy reduction goal set by the STEP Program of 775 Megawatts and requested that the City Council direct CPS Energy to meet 1,200 Megawatts. He asked that they invest more into a weatherization program; create a Tired Rate Structure; and adopt the 2012 Housing Code.

Tom "Smitty" Smith provided a Memo to the City Council and spoke against the CPS Energy Rate Increase. He stated that the STEP Program should be increased to 1,200 Megawatts and expressed concern that the previous megawatt goal was set as a budget compromise. He spoke in favor of a Tired Rate Structure to discourage waste.

Karen Hadden stated she was pleased the CPS Energy Rate Increase was lowered. She stated that \$84 million was allocated for Capital Costs for Nuclear Reactors and requested that the funds instead be allocated toward energy efficiency.

Ralph Wagner expressed concern regarding the high set up cost for Artists in Downtown San Antonio and requested a lower cost option for Travis, Hemisfair, and Milam Parks. He suggested that there be a better method for traveling to San Marcos and Austin.

Janet Ahmad expressed concern for the individuals living in the Stablewood Subdivision. She stated that building codes are not enforced and the substandard housing by DR Horton is affecting their property value.

Gizelle Luevano expressed concern with the home she lives in at the Stablewood Subdivision built by DR Horton. She stated that DR Horton has left the individuals living in Stablewood with an array of problems ranging from health to property issues.

Antonio Diaz spoke against the CPS Energy Rate Increase and CPS Employee Incentive Pay. He spoke in support of the Casa Verde Program.

Johnny Joe Perez expressed concern regarding the safety of Law Enforcement Officers.

Artman Bland spoke of code compliance issues and stated concerns that his property has been intentionally blocked from selling by City Staff. He requested that the City Council investigate the issue.

Faris Hodge, Jr. submitted written testimony noting that the San Antonio Zoo should reduce their water usage. He wrote that a bright future was in sight for the Children's Lighthouse noting that they had received a \$12.7 million grant. He noted the Witte Museum Fundraiser and highlighted the \$1 million donation by the Komen Foundation for Cancer Research. He expressed concern that the Police Contract was taking advantage of other City Employees and with the increase in SAWS Rates. He asked of the amount of money in the Storm Water Operations Fund and requested that the Citizens to be Heard portion of the City Council Meeting be broadcast on television. He wrote that it was wrong to jail men that do not pay child support and are charged

17% interest rate on back child support. He requested that the Alamodome be named after him.

ADJOURNMENT

There being no further discussion, Councilmember Taylor adjourned the meeting at 7:23 pm.

APPROVED



JULIÁN CASTRO
MAYOR

ATTEST:



LETICIA M. VACEK, TRMC/MMC
CITY CLERK