

INTERGOVERNMENTAL RELATIONS COUNCIL COMMITTEE MEETING MINUTES

WEDNESDAY, MAY 14, 2014

10:00 A.M.

PLAZA ROOM B, MUNICIPAL PLAZA BUILDING

Members Present: Councilmember Cris Medina, Chair, *District 7*
Councilmember Shirley Gonzales, *District 5*
Councilmember Ray Lopez, *District 6*
Councilmember Ron Nirenberg, *District 8*
Councilmember Mike Gallagher, *District 10*

Members Absent: None

Staff Present: Doug Melnick, *Office of Sustainability*; Robert Murdock, *Director, OMA*; Jeff Coyle, *Director, IGR*; John Dugan, *Director, Planning and Community Development*; Lisa Biediger, *Assistant City Attorney*; John Jacks, *Assistant Director, DSD*; Ted Murphree, *Assistant City Attorney*; Shahrads Dowlatsahi, *Chief of Protocol*; Ryan J. Cook, *Office of the City Clerk*

Others Present: Councilman John Clamp; Walter Serna, *Patton Boggs*; Gilbert Garcia, *Express News*; Vic Boyer, *SAMC*; Jesse Hartford, *S&D Infrastructure*; Kathy Garcia, *CPS Energy*; Peter Bella, *AACOG*

1. Approval of minutes of the April 9, 2014 Intergovernmental Relations Council Committee Meeting

Councilmember Gallagher moved to approve the Minutes of the April 9, 2014 Intergovernmental Relations Council Committee Meeting. Councilmember Lopez seconded the motion. Motion carried unanimously.

Briefing and Possible Action Items

2. Resolution in support of a constitutional amendment to increase State highway funding [Mike Frisbie, Transportation Code]

Jeff Coyle provided a briefing and background on a draft Resolution in support of a Constitutional Amendment to increase State Highway Funding. He stated that during the 83rd Legislative Session in 2013, the Texas Legislature approved Senate Joint Resolution (SJR) 1, which proposed a Constitutional Amendment to dedicate part of the Oil and Gas Production Tax Revenue, to the State Highway Fund for Non-Toll Highway Projects. He stated that the amendment would be placed on the November 4, 2014 State Ballot. He noted that the amendment would not constitute a tax increase, rather a redirection of the existing tax revenues. He reported that 25% of the Oil and Gas Production Tax Revenues were earmarked for the State's Economic Stabilization Fund, also known as, the Rainy Day Fund. He stated that an estimated \$1.4 billion would be redirected to the State Highway Fund and would be allocated throughout the State by the Texas Department of Transportation (TxDOT). He added that the redirection formula would be consistent with existing formulas as outlined by the Transportation Committee.

Mike Frisbie reported that TxDOT's recent estimates indicated a \$4 billion annual shortfall for Maintenance and Construction of State Infrastructure, and a \$1 billion annual shortfall for Maintenance and Construction of Infrastructure heavily used by the Energy Sector. He stated that the estimated \$1.4 billion of redirected funds would not fully fund the State's Highway Maintenance Program; however, it would contribute to the overall Transportation Budget. He noted that it could minimize other measures taken by TxDOT to address Highway Maintenance needs. He stated that Staff recommended the support of a Resolution supporting the proposed State Constitutional Amendment to increase State Highway Funding by dedicating a portion of the Oil and Gas Production Tax Revenues to the State Highway Fund for Non-Toll Highway Projects.

Chairman Medina asked if Staff had projected the income for Bexar County and participating Counties to the South. Vic Boyer replied that it would be approximately \$98 million. He added that he did not calculate income outside of the 12 participating TxDOT Districts.

Councilmember Gonzales asked who would be voting in the Election. Mr. Coyle replied that every voter in the State of Texas could vote. Councilmember Gonzales asked if there were any other proposals of how the funding might be spent. Mr. Coyle replied that there were no competing proposals at this time. Councilmember Gonzales asked if funds would go directly toward Highway Infrastructure. Mr. Coyle replied that the funds would go toward the State Transportation Network.

Councilmember Lopez asked of the funding formula. Mr. Boyer replied that current Legislation states that funding is to be divided consistently with TxDOT Formulas. Councilmember Lopez stated that the City's MPO recently received 9%; however, the counties to the South of the City, specifically Eagle Ford Shale, were not included within that percentage. Mr. Boyer confirmed that he was correct and stated that the 9% was a formula used for the Largest Urban Areas of the State.

Councilmember Nirenberg suggested that the formulas be distributed to City Council Members and placed on record.

Councilmember Gallagher asked if damage and the location of damages caused by development, as it relates to the Energy Sector, would be taken into consideration. Mr. Coyle replied that there was other Legislation that specifically pertains to the Energy Sectors; however, the Bills that have passed did not place responsibility on the Energy Industry. Discussion ensued regarding the impact of the Energy Sector and the draft Resolution.

Councilmember Lopez moved to forward the draft Resolution in support of a Constitutional Amendment to increase State Highway Funding. Councilmember Gonzales asked for clarification of the motion. Chairman Medina clarified by stating that Committee Members were moving to approve a draft Resolution that supports a Constitutional Amendment to increase State Highway Funding. Councilmember Gonzales stated that she did not support the Resolution as it stands; however, she was not opposed to it going before the full City Council.

Councilmember Nirenberg seconded the motion. The motion prevailed by the following vote: AYES: Medina, Lopez, Nirenberg, and Gallagher. NAY: Gonzales.

3. Office of Economic Adjustment (OEA) potential grant opportunity for Harry Wurzbach [Jeff Coyle, Intergovernmental Relations Director]

Mr. Coyle reported that several years ago, a Line Item in the Appropriations Portion of the Federal Budget was intended to be an Earmarked for the States of Maryland and Virginia. The Earmark was to be used to improve Transportation and Infrastructure surrounding their Military Installations. He stated that the Line Item coincided with the moratorium placed on Earmarks and rather than becoming a Congressionally Directed Allocation, it became the Office of Economic Adjustment (OEA), Grant Program. He stated that the OEA was an office within the Defense Secretaries purview. He noted that the City submitted a Grant Application for three projects. He stated that the IH35 to Loop 410 Connector Project was funded at \$25 million; however the Tax Memorial Parkway Project at Harry Wurzbach and Improvements Project to Binz-Engelman were not.

Mike Frisbie added that the Connector Project was the City's second priority and the Harry Wurzbach Project was the first.

Mr. Coyle stated that IGR Staff had drafted a letter to Congressman Henry Cuellar on behalf of Chairman Medina and Councilmember Gallagher urging him to request refunding; however, Congressman Cuellar had already submitted an appropriations request before the letter was sent. He stated that the effectiveness of the letter was debatable but indicated that it would offer both Chairman Medina and Councilmember Gallagher the opportunity to be placed on record as showing support. He stated that if the letter was sent, it would be received by the OEA, which currently funds the Office of Military Affairs (OMA). He noted that it was unclear if OEA would consider additional Transportation Funding since it was not their central mission.

Bob Murdock stated that he had spoken with the Director of OEA, Patrick O'Brien, to affirm that OMA was not promoting the funding request and that it was strictly a political issue from Congressman Cuellar.

Councilmember Gallagher spoke in favor of the letter.

Councilmember Lopez concurred with Councilmember Gallagher. Councilmember Lopez asked if the parameters surrounding the grant remained the same. Mr. Boyer replied that original Legislation was never dissolved and the program continued; however funding was never replaced. He further stated that Appropriators chose not to change the program since the language already existed.

Councilmember Gallagher moved to approve the draft Letter to the Office of Economic Adjustment (OEA). Councilmember Lopez seconded the motion. Motion carried unanimously.

4. Development of 84th State Legislative Program [Jeff Coyle, Intergovernmental Relations Director]

Mr. Coyle provided a presentation and briefing on the 84th Legislative Program Development.

- Overview
- 83rd Interim Committees
- Landscape for the 84th Session
- Committee Impact
- 84th Legislative Program
- Detrimental Legislation to City's Interests

- Proposed Legislative Imitative Form

Mr. Coyle stated that Interim Charges were released by Lt. Governor Dewhurst and Speaker Straus. He explained that Interim Charges were topics they wanted their Legislative Committees to research and produce reports on. He stated that House and Senate Committees were currently holding hearings on assigned Charges. He stated that Staff was monitoring the hearings and providing testimony as needed. He reported that Staff had provided testimony to the Senate Intergovernmental Relations Committee regarding Local Debt Transparency and to the House Urban Affairs Committee on the Impact of Texas' Population Growth and Chronic Graffiti. He mentioned that other Charges of interest were Transportation, Economic Development Incentives, Current Regulatory Authority in Extraterritorial Jurisdiction (ETJ), Restrictions on Local Governmental Entities relating to the Construction of Critical Infrastructure, Personal Privacy and Data collected by Governmental Entities, and Veteran Hiring Preferences. He reported that new leadership for the 84th Legislative Session would include: New Governor, Lt. Governor, Attorney General, and Comptroller. He stated that 21 New Members were added to the House of Representatives of which 8 Incumbents were defeated in the Primary Election; 5 new members in the Senate of which 1 Incumbent was defeated in the Primary Election; and 2 additional Senators were running for Statewide Office. He noted that the House Committee has Chair Vacancies for Appropriations, Natural Resources, Ways and Means, Higher Education, Pensions, Economic and Small Business Development, Government Efficiency and Reform, Federalism and Fiscal Responsibility, and Judiciary and Civil Jurisprudence. He added that the Senate Committee has Chair Vacancies for Finance, Education, Business and Commerce, Nominations, Veteran Affairs and Military Installations, and Finance Subcommittee on Fiscal Matters. He indicated that Legislation considered to be detrimental to the City's Interests would include Undermining the Principals of Self-Government, Mandating Increased Costs to the City, Loss of Revenue/Negatively Impacting the Authority of the City to Generate Revenue, and Diminishing the Fundamental Authority of the City to operate in a manner consistent with the best interest of the Health, Safety, and Welfare of the General Public. He stated that Staff would present proposed State Legislation to the IGR Committee for consideration in August 2014 and to the City Council for approval in September 2014. He noted that the Pre-Filing Process for proposed Bills would begin in November 2014.

Chairman Medina asked of pre-filing. Mr. Coyle replied that during the previous Pre-Filing Session, over 6,000 Bills were filed and added that although it was not necessary to pre-file; it would work toward the City's Advantage.

No action was required for Item 4.

5. Air Quality Planning and Funding [Jeff Coyle, Intergovernmental Relations Director]

Peter Bella stated that Alamo Area Council of Governments (AACOG) staff would outline all programs operated by AACOG regarding Air Quality so he could serve as a Liaison with City Staff. He indicated that the region was currently violating Ozone Standards and may be deemed in Nonattainment by the Environmental Protection Agency (EPA) as early as 2017. He stated that an Ozone Planning Process uses a computer simulation of Ozone's formation and movement also known as a Photochemical Model. He stated that the Photochemical Model would allow different Control Measures to influence the simulated Ozone in an attempt to provide a better understanding

of how different pollutants affect Ozone. He added that although funding has been reduced, they were moving forward with the process of trying to identify sources to reduce Ozone.

Councilmember Nirenberg exited the meeting at this time.

Councilmember Lopez spoke of the need for funding to be restored.

Councilmember Gonzales asked of Eagle/Ford Shale. Mr. Bella replied that according to the rules and regulations of the Clean Air Act, the region was to make reductions as necessary. However, Eagle/Ford Shale falls largely outside of the region. Discussion ensued regarding the Eagle/Ford Shale.

No action was required for Item 5.

Consideration of items for future meetings:

6. Next Meeting Scheduled: June 11, 2014

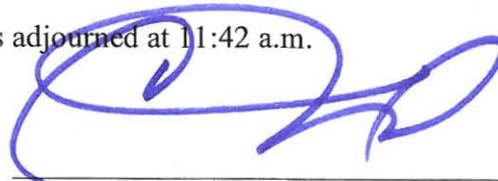
Adjourn

There being no further discussion, the meeting was adjourned at 11:42 a.m.

Respectfully Submitted,



Ryan J. Cook, Office of the City Clerk



Cris Medina, Chairman