



City of San Marcos

Special Meeting Minutes City Council

Tuesday, June 29, 2021

3:00 PM

Virtual Meeting - Special Meeting

This meeting was held using conferencing software due to COVID-19 rules.

I. Call To Order

With a quorum present, the special meeting of the San Marcos City Council was called to order by Mayor Hughson at 3:06 p.m. Tuesday, June 29, 2021. This meeting was held online.

II. Roll Call

Council Member Garza arrived after roll call at 3:30 p.m.

Present: 7 - Mayor Pro Tem Melissa Derrick, Mayor Jane Hughson, Council Member Maxfield Baker, Council Member Saul Gonzales, Council Member Alyssa Garza, Council Member Mark Gleason and Deputy Mayor Pro Tem Shane Scott

PRESENTATIONS

1. Receive a presentation on the American Rescue Plan, and provide direction to the City Manager.

Bert Lumbreras, City Manager provided an introduction. The Special meeting was called to provide a briefing on the American Rescue Plan funds the City is receiving. The City of San Marcos is due to receive approximately \$18 million dollars of Federal funding. Marie Kalka, Finance Director will discuss the parameters of the programs that could potentially be funded as well as a proposed list created by staff, additional projects that have been discussed previously by Council, and those that align with Council's strategic priorities. He stated it is difficult to separate discussion regarding the American Rescue Plan funds and the City budget. As will be presented later this evening, the General Fund is under tight constraints so the use of ARP funds were reviewed to offset some expenses, but the restrictions on the federal funding make it difficult to address the shortfall this way. It is tentatively scheduled for next week's Council meeting to continue discussion, or place a resolution indicating Council's support.

Ms. Kalka provided the presentation on the American Rescue Plan (ARP)

Funds. Ms. Kalka provided a list of the Federal funds that have been allocated in the San Marcos Community in the amount of \$123M. Over \$2.6M in Coronavirus Relief Funds have been allocated by the City. Additional assistance provided includes waived utility and hotel late fee exemptions and utility payment plan arrangements.

Ms. Kalka provided the ARP program summary. The US Treasury launched Coronavirus State and Local Fiscal Recovery Fund program totaling \$350B. San Marcos total allocation is \$18,101,483. As of June 1, 2021, \$9,050,741 has been received. The remainder is to be received approximately 12 months from now. Funds incurred during the period March 3, 2021- December 31, 2024 must be expended by December 31, 2026. There are quarterly project and expenditure reporting requirements. The initial report will cover activity from March 3, 2021 - July 31, 2021 with the report due on August 31, 2021. Reports are due 30 days after the end of each calendar quarter. Annual Recovery Plan Performance Reports will cover activity from March 3, 2021 - July 31, 2021 with the report due by August 31, 2021. Reports are due 30 days after each year end by June 30th.

Ms. Kalka outlined the ARP guidelines. These include the following:

- * To support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- * To replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- * To support immediate economic stabilization for households and business; and
- * To address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations.

Ms. Kalka provided the recommended operational uses of the ARP Funds. (See Exhibit A)

Ms. Kalka provided the additional consideration for funding as they relate to the Council Strategic Initiatives. (See Exhibit B)

Next steps

- **Tonight - Direction from Council Requested:**
 - Consideration of City Manager recommendations for operational uses of ARP Funds
 - Direction to staff for allocation of \$2,274,761
- **July 6 - Tentative resolution of support based on Council Direction received today.**
- **August 3 - Resolution of support (alternative date if necessary)**

**Council held discussion and consensus was provided on the additional funding.
(See Exhibit C)**

This information will be reviewed and considered by Council at the July 6, 2021 City Council Meeting.

III. Adjournment.

A motion was made Mayor Pro Tem Derrick, seconded by Council Member Baker to adjourn the special meeting of the City Council on Tuesday, June 29, 2021 at 4:49 p.m. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Derrick, Mayor Hughson, Council Member Baker, Council Member Gonzales, Deputy Mayor Pro Tem Scott, Council Member Garza and Council Member Gleason

Against: 0

Tammy K. Cook, Interim City Clerk

Jane Hughson, Mayor

EXHIBIT A
Recommended operational uses of the ARP Funds

Category	Timeframe	Description	Amount
Public Health Response	2022	Operating Budget Impact	\$500,000
Public Health Response	2021-2022	Chatbot function for City website	\$7,500
Serve Hardest Hit Communities	2022	Additional Human Services Advisory Board (HSAB) funding	\$150,000
Neg. Eco. Impact	2021-2022	Various Convention & Visitor Bureau (CVB) programs (see details below)	\$297,000
Water/Sewer Infrastructure	2022	Briarwood/River Rd. stormwater improvements	\$2,500,000
Public Health Response	2022	IT critical system upgrades (see details below)	\$1,067,550
Public Health Response	2021-2022	New CAD/RMS system	\$800,000
Public Health Response	2021	Crime scene digital mapping system	\$135,000
Public Health Response	2021	HEPA air disinfecting systems	\$367,680
Water/Sewer	2021	Stormwater improvements at older City facilities	\$656,250
Water/Sewer	2021	Stormwater improvements @ Hull/Grove	\$250,000
Neg. Eco. Impact	2021-2022	Funding for downtown events	\$45,000
Total			\$6,775,980

The CVB detailed list includes:

Department	Category	Timeframe	2021	2022	Description
CVB - SEM - Search Engine Marketing	Negative Economic Impact from Public Health Emergency	7/21-12/21	10,000	12,000	Increase to current contract - Marketing to increase travel industry interest and revenue; Utilize expertly selected keywords relevant to your destination to give your prospective travelers the right information at the right time through paid search ads.
CVB - Conversant display and video with visitor spend data	Negative Economic Impact from Public Health Emergency	7/21-12/21 -	-	100,000	Increase to current contract -Marketing to increase travel industry revenue with market spend data; Digital and display ads served based on traveler intent. Includes economic impact report following each campaign
CVB - Video Content	Negative Economic Impact from Public Health Emergency	7/21-12/22	20,000	30,000	Increase to budget - Marketing to increase travel industry revenue. Filming of annual events/seasonal activities for updated tourism videos
CVB - Meeting Campaign	Negative Economic Impact from Public Health Emergency	7/21-12/24	10,000	20,000	Increase to current contract - Marketing to increase travel industry revenue ; Digital ads served to meeting planners and on LinkedIn
CVB - Programmatic Audio ads					
CVB - Visitor Data and measurement dashboard	Negative Economic Impact from Public Health Emergency	1/22-12/24	-	15,000	Increase to current contract - Marketing to increase travel industry revenue; Audio ads served on music subscription services
CVB - Influencer Campaign	Negative Economic Impact from Public Health Emergency	1/22-12/24	-	35,000	New: Measures and communicates the impact of marketing campaigns with actionable insights to effectively use and adjust the marketing budget. Daily updated reports include 12 months of historical data at sign up + quarterly analysis during Quarterly Business Review Meetings
CVB - Social Media Lead	Negative Economic Impact from Public Health Emergency	1/22-12/24	-	15,000	New: Get in front of an engaged audience interested in travel or experiences found in your destination, such as shopping, dining, or outdoor adventure
CVB - Email marketing	Negative Economic Impact from Public Health Emergency	1/22-12/24	-	15,000	New: Facebook, Pinterest and Instagram leads to use in upcoming ads and email campaigns
Total by expenditure year			40,000	15,000	
Total both years				257,000	

Detail for Information Technology section totaling \$1,067,550. All are category Public Health Response.

Description	2021	2022
Enhance security hardware for critical systems (network equipment) at each city facility, and city wifi)	1,000,550	1,000,550
Priority # - PD Internet Connection - We are looking to upgrade and provide a more reliable, diverse, and usable internet connection at the PD.	50,000	50,000
Priority # Telephone license that would allow a user using a virtual desktop to answer & make a call. The licenses (150) will provide flexibility answer /make calls while in the officer or teleworking. This will provide a level of customer experience that the city is expecting. One time cost is \$11,251.50 and reoccurring cost of \$5,400.	11,500	11,500
Priority # Telephone virtual desktop annual support cost; Annual cost to receive support, software updates and upgrades to the softphone licenses for a virtual desk phone.	5,500	5,500
Total Information Technology items	1,067,550	1,067,550

EXHIBIT B

Strategic Initiative	Time Frame	Description	Amount
Workforce Housing	2023-2025	Owner-occupied housing rehabilitation program*	\$1,000,000
Workforce Development	2022	Public Wi-Fi expansion (Parks & Library)	\$500,000
Workforce Development	2021-2022	Vocational instruction to improve workforce salaries	\$25,000
Workforce Development	2021-2022	Temporary Social Workers to provide case management services	\$60,000
*Consider additional funding with 2 nd round of funds received in 2022			
Downtown Vitality	2022-2023	Small Business Counseling Program	\$600,000
Downtown Vitality	2021-2024	Business Retention and Exp. Program	\$18,000
Downtown Vitality	2021-2024	Training and Professional Development on Small Business Development	\$15,000
Downtown Vitality	2022-2024	Funding for Business Improvement & Growth (BIG) Grant with focus on touchless and air filtration improv.	\$150,000
Downtown Vitality	2022	Downtown Mktg. Grant Campaign	\$300,000
COVID Response	2021-2022	Central Texas Addressing Cancer	\$271,915
COVID Response	2021-2023	Temporary Grant Specialist	\$115,000
Total			\$3,054,915

EXHIBIT C
Consensus provided on funding

Department	Description	Requested Amount	Recommended Amount
Public Health Response	Operating budget personnel and operating costs associated with pandemic	500,000	500,000
Communications	Chatbot function for City website to provide better user experience for the public. Recurring Annual Expense Quote specified automated from information on website; no staff person needed ;	7,500	7,500
	Additional \$150,000 allocated for HSAB COVID response programs	150,000	150,000
CVB (See detailed information below)	Various Convention & Visitor Bureau (CVB) programs	297,000	297,000
	Briarwood & River Ridge Stormwater Imp Project funding. Benefits LMI county residents and industrial/commercial city properties. Identified for DR funding but was not able to be included due to funding constraints.	2,500,000	2,500,000
IT Items (See detailed information below)	IT critical system upgrades	1,067,550	1,067,550
Police and Fire	New CAD/RMS system to support police, fire and EMS. Suggestion to use ARP dollars to fund public safety salaries and divert supplanted GF dollars to this project. (recurring annual cost - would replace current recurring costs); County would share in cost, \$800k is worst case scenario.	800,000	800,000
Police and Fire	LEICA RTC360 system - crime scene digital laser mapping system. Suggestion to use ARP dollars to fund public safety salaries and divert supplanted GF dollars to this project.	135,000	135,000
Public Works-Facilities	Provide commercial grade HEPA Air Disinfecting Systems for assembly and meeting facility locations	367,680	367,680
Public Works - Stormwater Ops	Install stormwater improvements at older city facilities to separate stormwater and sanitary sewer discharges	656,250	656,250
Public Works - Stormwater Ops	Eliminate flooding at the intersection of Hull/Grove St by installing storm/sewer infrastructure along Hull to the existing inlets on Comanche Street.	250,000	250,000
Main Street + Eco Dev	Funding for downtown events which drive visitor traffic and generate sales tax + heads in beds	45,000	45,000
Total Staff Recommendations		6,775,980	6,775,980
Additional Considerations			
Category	Description	Requested Amount	Recommended Amount
Workforce Housing	Implementation of an owner occupied housing rehabilitation program in future years, including 5% for administration of the program.	1,000,000	566,762
Workforce Development	Public Wi-fi Expansion (Parks & Library)	500,000	500,000
Workforce Development	Provide vocational instruction to improve workforce salaries. Classes would include HVAC, Welding, Information Security, Vmware, and Microsoft Certification. This would be a partnership with Community Action and Workforce Solutions.	25,000	25,000

	We would provide location and they would pay for the students that qualify for their programs. We would assist students that did not qualify for the other funding. Library staff would also provide assistance with applications and FAFSA support.		
Workforce Development	Hire two part-time temporary Social Workers to provide case management services homeless coalition: Social Workers would participate and prioritize City Council initiatives. They would also provide assistance during and after any disasters (examples flood, COVID, cold weather). Further direction would be provided when the results of the Needs Assessment are available.	60,000	60,000
Downtown Vitality	Small Business Counseling Program NOT limited to downtown businesses, includes technical assistance such as website optimization	600,000	500,000
Downtown Vitality	Business Retention and Expansion Program development, including new CRM software to track health of businesses served	18,000	18,000
Downtown Vitality	Training and Professional Development on Small Business Development	15,000	15,000
Downtown Vitality	Funding for BIG Grant with additional focus on touchless and air filtration improvements	150,000	150,000
Downtown Vitality	Downtown Mktg. Grant Campaign	300,000	200,000
COVID Response	Central Texas Addressing Cancer Together	271,915	100,000
COVID Response	Pay for temporary grant specialist	115,000	115,000
	Mermaid Festival	new	25,000
Totals		3,054,915	2,274,765
Total staff recommendations, additional considerations		9,830,895	9,050,742
Funds expected			9,050,741

Detail for CVB section totaling \$297,000. All are category of Negative Economic Impact from Public Health Emergency

Department – Recommendations	Description	Requested Amount	Recommended Amount
CVB SEM - Search Engine Marketing	Increase to current contract - Marketing to increase travel industry interest and revenue; Utilize expertly selected keywords relevant to your destination to give your prospective travelers the right information at the right time through paid search ads.	22,000	22,000
CVB Conversant display and video w.visitor spend data	Increase to current contract - Marketing to increase travel industry revenue with market spend data; Digital and display ads served based on traveler intent. Includes economic impact report following each campaign	100,000	100,000

CVB Video content	Increase to budget - Marketing to increase travel industry revenue Filming of annual events/seasonal activities for updated tourism videos	50,000	50,000
CVB Meeting campaign	Increase to current contract - Marketing to increase travel industry revenue ; Digital ads served to meeting planners and on LinkedIn	30,000	30,000
CVB Programatic Audio ads	Increase to current contract - Marketing to increase travel industry revenue; Audio ads served on music subscription services	15,000	15,000
CVB Visitor Data and measurement dashboard	New: Measures and communicates the impact of marketing campaigns with actionable insights to effectively use and adjust the marketing budget. Daily updated reports include 12 months of historical data at sign up + quarterly analysis during Quarterly Business Review Meetings	35,000	35,000
CVB Influencer Campaign	New: Get in front of an engaged audience interested in travel or experiences found in your destination, such as shopping, dining, or outdoor adventure.	15,000	15,000
CVB Social Media Lead	New: Facebook, Pinterest and Instagram leads to use in upcoming ads and email campaigns	15,000	15,000
CVB Email marketing	New: Email management and campaign platform	15,000	15,000
Total CVB items		\$ 297,000	\$ 297,000

Detail for Information Technology section totaling \$1,067,550. All are category Public

Health Response

Department – Recommendations	Description	Requested Amount	Recommended Amount
	Enhance security hardware for critical systems (network equipment) at each city facility, and city wifi)	1,000,550	1,000,550
	Priority # - PD Internet Connection - We are looking to upgrade and provide a more reliable, diverse, and usable internet connection at the PD.	50,000	50,000
	Priority # Telephone license that would allow a user using a virtual desktop to answer & make a call. The licenses (150) will provide flexibility answer /make calls while in the officer or teleworking. This will provide a level of customer experience that the city is expecting. One time cost is \$11,251.50 and reoccurring cost of \$5,400.	11,500	11,500
	Priority # Telephone virtual desktop annual support cost; Annual cost to receive support, software updates and upgrades to the softphone licenses for a virtual deskphone.	5,500	5,500
	Total Information Technology items	1,067,550	1,067,550

Other considerations on hold for now

Utility payments
Ticket writer program – Must determine if eligible expense.