

City Council Meeting Transcript – 9/3/2013

September 3, 2013 COFA Meeting

Mayor Leffingwell: A quorum is present so I will call the work session of Austin City Council to order on Tuesday, September 3, 2013, at 1:05 p.m.

We are meeting in the board and commission room, Austin city hall, 301 West Second Street, Austin, Texas.

Our agenda is to have one agenda item, discussion on the FY2013 '14 budget, and to start us off, I would like the city manager would like to say a few words.

>> Ott: Thank you, mayor, council members.

Good afternoon.

We certainly appreciate having the opportunity to say a few words at the start of your budget discussion today.

Of course you have had several opportunities now to discuss the budget, inclusive of feedback that you've gotten from a variety of individuals during your public hearings.

Of course we certainly have listened carefully to all of that, and as you well know, the budget development process, in addition to the city manager's recommendation is a dynamic process and so we've listened very carefully and certainly understand and recognize that, in the course of your deliberations and the input that you have gotten, that there are things, priorities, things that we have heard that are important to Council that may not be reflected in the recommendation as presented to you from your collective perspective, as well as from what you have heard from folks who have come to give testimony during the public hearings and so with that in mind, we have gone back and looked at the budget and really tried to create some pathways or some capacity by which you may be inclined to address some of the things that we have heard you talk about in the course of your discourse regarding the proposed budget for '13 and '14 and so what we wanted to do at the outset is offer a presentation, a presentation in that regard.

Now, we have all hands on deck today.

That means that the staff is available to engage in the Q and A as we go through your discussion today.

Our CFO and Elaine and Ed and others are prepared.

We are set up electronically so in the course of your conversation, you know, should you want to make decisions, make changes, we are in a position to make those kinds of potential adjustments so you can see actually what they would look like in the budget document as a means of being prepared for the 9th, 10th, and 11th and so we are at your service today.

We consider this another step.

As I said before, the overall budget development process and we are hopeful over the course of the day in your presentation and deliberations we will make considerable progress toward the budget that this Council will be comfortable adopting.

So mayor, with your permission, I think the staff is ready to proceed.

>> Thank you, city manager.

Good afternoon, mayor, mayor pro tem and members of the Council.

As the city manager was mentioning, the budget is a dynamic process and so some of what we are going to be presenting to you today is just based upon having two months of additional data and you have seen us do this in the past, where we had the really hot weather one year and came back with some Austin Energy transfer money and I believe in some years we received certified tax roll after we received the output to budget there and we have been able to come back in years past with additional revenue opportunities, so a lot of what you will see today is the result of having two additional months of data from the time we put the budget together and get it before the city Council.

Some of it as the city manager indicated is the staff wanting do the best job we could to identify different pathways, different funding options within the context of our existing budget that the Council may want to consider, to give you options for funding some of the other priorities you have for this budget.

The presentation.

Really we have two objectives, then, for the agenda today, one is the staff presentation, which I will go through in just a moment and following that presentation is some of the potential funding options to address your budget priorities.

We really wanted to have the benefit of your discussion to better understand what those differing priorities are so that when we come back before you, on September 9, for budget adoption, hopefully we can come forward with a package that meets your direction and your priorities.

First of all, we wanted to just summarize some of the items from Council that are still outstanding.

These are various items from Council that have come up during the year that are not yet addressed in the budget that has been proposed before you.

You can see the list here.

These are things that Council has already taken action on and so we don't view this in any way of being the totality that your priorities may be but these are things Council has taken on and asked staff to identify funding options as part of the fiscal year '14 budget from the bridge childcare voucher, this was an IFC that asked us to look at ways to move the funding from that from the CGBD block grant funding to the other fund and the legal consultants for the voters education law, that is the high end of \$280,000, implementing the local food study and funding for African American men and boys club, Harvard foundation and the employee LEED bank passed August 2nd and we expect the cost of that \$118,000 in our general fund and Roy and Ann butler trail public art master plan for \$50,000 and there was also an item from Council that related to improvements to Hyde Park plaza that we do not have a dollar amount tied to yet, but in total, just from the outstanding resolutions that Council has approved, we have \$1.1 million of priority that is already have been established.

Let me go through funding options.

The first two are revenue changes since the time we delivered proposed budget to Council.

Typically when we bring the budget forward to Council, it comes to Council end of July, early August.

This year it came to Council on August 1st.

Really in order to get the document to Council, we have to have the numbers they have to stop moving by early July, and so our our June books are not closed by early July.

So most of the numbers you see in the budget are based upon what we call our May close numbers and then as the budget proceeding progressed, we got June information.

We get July information and even now, as we are getting further on into the budget process, we start to get August numbers particularly related to sales tax.

We get our August sales tax numbers already come in.

We presented to the audit finance committee and concluded in the third report that in addition to the data we have on hand now the property tax collections continue to come in very strong.

We budgeted conservative 98.5 collection rate.

We are beating that rate.

We already beat that rate so we are proposing, recommending to increase our property tax revenue collections by one and a half million dollars in fiscal year '15.

We aren't proposing a change in '14 but the current fiscal year, we are projecting to end the year 1 and a half million dollars higher than what we initiated concluded in our proposed budget document.

Similar to that, our development revenue continues to just come in very strong.

The story we delivered to Council when we first brought the budget forward was we were estimating \$19.2 million of development revenue for fiscal year '15.

That would be the second highest in the city's history and then we are recommending to continue at that level in fiscal year '14.

We just didn't see anything on the immediate horizon that would indicate that number would be coming down.

Again with the benefit of the two additional months of data that we have, two very, very strong months, it seems clear now we are going to most likely end the year of the highest level of development revenue in history and so we are looking to increase estimate for current year to \$20.1 million.

Again, that would be the highest level in the city's history.

We are not recommending to go to that level in fiscal year '14, but just given the uncertainty of the amount of activity that will actually occur, but at fiscal year '13 with only two months left, we feel that is a prudent and still conservative estimate.

And we will talk a little bit as I get into the presentation as how those '13 moneys flow into the '14 process and help to accomplish our goals in the fiscal 'shF14 budget.

We did present to Council a variety of sales tax scenarios, that was something that Council asked us to do.

For your benefit, we included some of these scenarios on this collide here.

The first line is really the assumptions we have laid out in our budget document but updated to reflect the additional data that we have now.

So our basis for our sales tax projection in the budget was to take our ten year average of 3.6% compounded annual growth and go on the conservative side of that.

So we assumed 3% growth from where we are today.

We are a little bit higher than than we thought we were going to be already, so we had two additional months of data.

Those two months came in higher than the 3% growth rate.

If we stick with the same assumption of assuming 3% from where we are now we would be 250,000 higher than tissue year 2013 and 250,000 higher than fiscal year 2014 and so the basis of our recommendation in FY2014 proposed budget was the 3% growth trajectory, now that we are at a slightly higher starting point as a result of having additional data and then you see additional scenarios, both of what we assume for the remainder of fiscal year '13 and on into '14.

I want to be clear the fiscal year '13 number is not our year end estimate.

That's what we are projecting for the remaining months.

We have two remaining months two remaining payments for fiscal year '13.

Year to date, we are up 8.1%.

So we are showing you a variety of scenarios for the final two months between 3 and 5% and scenarios for fiscal year '14 between 3 and 4%.

We don't feel as confident as we look forward to fiscal year '14.

Again, when you only have two months left in the fiscal year, it is easier to give a pretty firm estimate as to how you will end the year as opposed to when you are looking at fiscal year '14 and you don't have one dollar of sales tax payment yet to give a firm estimate on that number, so we are continuing to recommend to be more conservative as you look out into fiscal year '14 as opposed to '13 but we are presenting these, offering these as scenarios for Council to consider.

A lot of it has to do with your own tolerance for risk and what you think the future may hold, not only for fiscal year '14 but on to the future because as we allocate these sales tax dollars to recurring commitments, the revenue really needs to recur.

Otherwise, we can find ourselves in a budget pinch down the line.

This is one other option that we looked at for Council's benefit, as we had a some conversation over the years about fee waivers that the city provides.

These are the fee waivers just for city code sponsored events in the amount of additional revenue that we would project if the waivers were to stop in fiscal year '14.

These are the amount of waivers that have been granted in fiscal year '13, so assuming we would be roughly at the same level, this gives you some indication of the additional revenue we might expect in fiscal year '14 if we were to no longer to waive the fees for events.

This does not include the additional waivers that each Council office has the authority to make up to the \$6,000 per year.

This is just for if larger events for the larger events, city code sponsored events there could be a general fund revenue of \$990,000.

Just one final revenue option for you to consider would be to look at our business retention fund.

That's a fund that was intended to provide low interest loans on businesses on Congress Avenue and East 6 Street.

The fiscal year '14 budget is projecting year end balance of 1.56 million.

That program sets a cap on the loans of \$250,000, so even if we were to draw this fund balance down by \$600,000, it would still leave \$1 million in the fund which would be sufficient to fund up to four loans within that 250,000 dollar cap, so this is just something for you to consider as well.

Staff feels we could draw this ending balance down by \$600,000 with no impacts to the existing program.

I want to move on to expenditure changes and similar to the conversation I had with you about our property tax estimates and our development estimates, revenue estimates for fiscal year '13, we do have some additional data I believe back at the time of the forecast, we were projecting an 8% increase in our contribution to the employee benefits fund.

That tracked well with historical norms.

We continued to have very low claims experience.

In our proposed budget we brought it down to 5%.

In talking to corporate HRD folks and the people that do the actuarial work for that fund, they are now indicating with two additional very good claims months under our belt, they feel we can go with a 3% increase in the funds.

So there is still going to be increase, just 3% increase as opposed to 5% increase but this is expensive fund so just the 2% reduction would save the general fund \$1.2 million and and something that would save our enterprise operations money but it is something worth mentioning and for you all to consider that sometimes, you know, when the actuarials say let's look at the fund and how much money do we need in the fund in order to meet our claims expenses, there is a likelihood that as we move into 2015, we may need a larger increase than we otherwise would.

That's kind of how this fund works, so 5% increase this year might necessitate I am making this up may necessitate 5% increase in 2015.

If we drop it to 3% this year, it may require 7% increase in 2015 so it is just matter of managing ending balance and making sure you are within your actuarial norms.

Right now we are focused on the actuarial requirements for fiscal year '14 and we believe we can meet those comfortably with 3% increase as opposed to a 5%.

One thing we never have a resolution on when we bring the budget forward which is the amount of contractual increase with the county for our jail services.

We budgeted that conservatively this year, we budgeted 600,000 dollar increase but we had a very favorable negotiation and got a good contract so we are going to be able to reduce that by 496,000 floors based upon the contract we already have in place with the contract and the final one to reverse the proposed changes to the housing trust fund.

This is where staff proposed a new way of calculating the housing trust fund that would get more money into the fund but rely less on debt financing with the Council's recent action to go with a 65 million dollar bond election, staff is proposing to reverse this change and continue the housing trust fund calculation at its current level, which would be a 78,000 dollar reduction from what we had proposed.

I want to be very clear, it's barely increase.

If you look at the 13 transfer to the housing trust fund relative to the '14, using the existing calculation, it's still going to be higher than in '13.

It just wouldn't be as high as if we went to this new model.

We had a lot of talk with Council about the various cost sharing, with the economic development and the 311 call center and all of these things I want to spend on each of these because these are proposed changes in the budget, changing the historical norm for how we funded some of these things.

These have been included in the FY '14 budget that with Council's direction, we could leave things the way they were and free up those funds to other needs.

The first would be to restore the water utilities and resource recovery contributions to the sustainability fund to 1% of the gross revenues.

This is what we historically done.

Going back ten years or so, these departments have contributed 1% or less of their revenue to the sustainability fund and those have been allocated to affordable housing programs and social service contracts, most notably workforce development.

Staff proposing four year transition plan to take the programs and to start funding them out of the general fund and over the next four years, basically disband the sustainability fund, and the current fiscal year we have 1.3 million dollar general fund impact as a result of doing that.

So we can restore the transfers from the two utilities to the sustainability fund, move the dollars we had put into the general fund back into the sustainability fund and continue on with our housing programs and workforce development programs in that manner.

Similar to that is the economic development department, formally the economic growth and services office and one thing we are proposing in this office is take EGRSO and pull them out and stand them alone as a department called economic development department and use a cost sharing model based on the size of the department's revenue.

Basically, Austin Energy, Austin water, resource recovery and general fund sharing the cost of economic development.

Our plan was to, again, do a four year transition to avoid having an overly large impact on any one of these funds in a single year, we wanted to do a 4 year transition.

The general funds share in that first year, transition was 1.3 million dollars.

So this would be a proposal or an option to simply reverse that, to continue to have economic development be set up as stand alone department but allow it to be funded through ae, water utility and resource recovery but essentially pull the general fund out of that calculation.

Similar to that is the contribution to the 311 call center.

That is something that had previously been fully funded by Austin Energy a couple of years ago.

We switched to a cost sharing model, where the costs are shared between the water utility, the general fund, resource recovery and Austin Energy.

At the time we did not have very good data so we just did ad hoc model.

We give 1 million dollars to the water utility, \$1 million to the general fund, ae shares was about 2.7 million and the remainder was paid by resource recovery.

We now have a more robust set of data, call data by department not only call data but the type of call that it takes to clear the calls so we are prepared to go to a cost sharing model based upon the data with a half a million dollar increase to the general fund so this would be another option of just not messing with the current allocation model, leaving it the way it is, as opposed to going to the new model and that could have a general fund savings of half a million dollars.

Final line item here is an economic development program, not to be confused with the economic development department but these are for confused with that but these are for the non380 economic incentive agreements.

We had a handful of those the last several years, Austin Energy, general fund and water utility has each contributed \$333,000 to this program and that include non380 type incentives.

And the program currently has a fund balance in the neighborhood of \$300 million and so we feel we can stop this at least for this next year without adversely impacting our ability to continually attract businesses to the community.

There hash a lot of talk during our previous work sessions about the 934 vacancies in the city.

Of course that is a number that ebbs and flows every pay period but the time we were asked for information we had 934 vacancies.

We currently budget vacancy savings of about 1.6%.

In other words, we anticipate in our budget that not all of the positions we filled at any point in time.

And we budget a 1.6% vacancy savings.

This would be an option for Council to consider to increase that vacancy savings rate by 1%.

So, in other words, each department on aggregate would budget vacancy savings of 2.6% in total.

The net effect of this change is it lowers the departments' budget, basically saying you have a lot of positions.

Your vacancy rate typically has been higher than 1.6% so we are going to try to budget it more along the lines of what our actual vacancies are occurring at and then you can see what the impacts will be by department but total here of one and a half million dollars of additional vacancy savings and this wouldn't be looking to cut specific positions.

It's just looking to acknowledge that there is an ebb and flow of vacancies and the department would be responsible for managing their budgets, for managing their vacancies to this higher dollar amount of savings.

Just a couple of other potential expenditure options.

One would have to do with the 24/7 trail pilot in the amount of APD overtime that we budget for that program.

One option for consideration would be to cut the overtime amount in half.

We have \$1,050,000 in the FY '14 budget for this program, cutting it in half would save the general fund \$525,000, but of course the workload would have to be absorbed somewhere with the absorption really coming from the additional officers that APD would be adding in April of the year.

And then the final item is our unexpended neighborhood housing and community development tax credit funds.

You remember back in February, that Council appropriated \$10 million to neighborhood housing, 4 and a half million dollars of that was to be for us to be able to leverage our dollars for two federal tax credit projects.

Those projects have come in closer to \$4,250,000, so there is essentially \$250,000 of savings relative to the portion of the money that was set aside for the tax credits.

This is a very small font summary sheet, and I think I am going to not go through each one of these items again, but it basically tracks to what I just talked about.

I do want to talk a little bit about the red arrow, though, where you can see in fiscal year '13 as a result of having two months of additional data for the property taxes and development revenues, and the sales tax is the high end.

So we gave you a number of scenarios to consider.

Since we are just trying to summarize here kind of the high end of what the potential funding options might be, we've got gone ahead and put dollar amounts in here if Council were to decide to go for more aggressive for 5% in 4% in 13 and that would generate 4 million dollars in additional revenue in fiscal

year 13 if we had those estimates and if it were to come to tuition, it would give you additional 3 and a half million dollars in revenue fiscal year '13.

It means what I proposed back to you in August, our FY ending balance would be higher which floods to our stabilization reserves which gives us more funds to spend on one time thin things.

Remember in our budget we have \$4.1 million of a line item budgeted as a transfer to CIP.

I will talk about what those items were on the next slide, the final slide, but essentially what this allows us to do is to reduce that transfer to CIP in the fiscal year '14 budget because we would have a larger ending balance that could draw down and still stay within our financial policies of the one third drawdown of budget stabilization reserves and also allow us to meet a 12% reserve level.

So let me just conclude, then, with additional funding of our additional revenue of 3 and a half million dollars in fiscal year '13 that would give us the ability to allocate the revenues to one time expenditures in 2014.

The list of that, would be \$1 million in the budget for turner Roberts, which is a million 6 for transfer of CIP for complete of turner Roberts but 3 and that a half million dollars we could have million paid out of that from one time fund as opposed to operating budget and a million for maintenance and prepares and million dollars for the central library book collection and this could end with FY'15 budget as opposed to the FY'14 operating budget.

It short tends priorities.

If you look at FY'13 you have potential funding options of 15 and a half million dollars with a combination of revenue enhancements and expenditure savings but some of the options would have impact on our enterprise departments and that's something we would have to look through after we had some of the conversations with you all today is what would those impacts be to our enterprise departments and would the enterprise departments have to potentially increase their rates in order to cover some of the additional costs of some of the things we may consider.

For example, if the water utility were to reinstate the transfer to the sustainability fund, that helps the general fund out but it has an impact on the water utility around we need to weigh those increases relative to the other things that are moving around in this budget.

So with that, mayor, I will be happy to answer any questions that we have before we continue on to the Council deliberations.

>> F.

>> Mayor Leffingwell: I am sure there will be a lot of questions but first of all, I want to thank you for some really good work here.

I think you have gone back and taken that deeper look and really come out with some really good results and I think it gives Council a little bit of room to maneuver, and, also, I have got to say, definitely shows

that we have the opportunity to hold our tax rate constant, maintain the nominal tax rate of 50 .29 cents as it is this year, we can do that, it's a little bit less than \$50.7 million and we identified \$15 million different worth of ways of possible ways to get there.

I will say right now, for the record, that I will not support a budget that raises a nominal tax rate, raises the rate above this year's tax rate.

Given that, I do have a couple of questions.

You talked a little bit about the potential impact of some of these assumptions that you have to make, educated assumptions, of course.

For example, transfer to the benefits fund, you said, well, we would have to make that up, possibly next year if it's short.

What would be the impact of an overly rosy sales tax assumption?

Would that require a budget amendment later on?

We have done that before.

>> We have done it before.

Honestly, mayor, I think the impacts are, you could end up with a bucket that looks like some of the budgets we came through in fiscal year 2010 and 2011.

I believe it was fiscal year 2009 budget when the economy was still doing well and we projected 8% growth and we actually ended that year, I think, at negative 5%, so

>> Mayor Leffingwell: Right.

>> The consequence of being overly aggressive on the sales tax are some of the difficult budgets that we just came through.

>> Mayor Leffingwell: But I don't think there is anything is possible, of course, but that is an extremely unusual situation.

First of all, consuming 8%, and then coming up with minus 5, that's dramatic.

And here we are assuming really 4%, as opposed to 3% for next year, so it is not really dramatic.

I just want to point out that that is one potential impact that should be considered, although I don't think it's significant and I wanted to ask a question about fee waivers.

This is kind of dramatic here.

We have definitely, over the years, gotten to the point where we kind of added them on, year after year.

And low and behold, now we have a million bucks worth of fee waivers and that's not count what the Council does, so, you know, I am not prepared right now, having just seen these, to say what we should do. I don't know what the impacts would be for example, and only for hypothetically for example, of not doing a SXSW fee waiver.

That's over a half million bucks.

That's a half million bucks, I doubt but the truth is, I remember when we picked that up.

I was on the Council when we picked that up and it was kind of a last minute deal.

Somebody had dropped out of the picture.

I don't remember all of the details but the last minute, the city decided to go ahead and pick up all of the fee waivers for SXSW and here we are, what, 7 or 8 years later, we are still doing it, also.

I think we have to take a look at all of these fee waivers, see if we can reduce them.

If we can work towards, you know, like an installment plan.

Reduce them out right, see if we can reduce the amount of others.

That's something for further discussion, but I think this is kind of an alarming picture that we have here.

Another another potential item was, you know, you mentioned the fee waivers of \$6,000 per office.

Maybe we can cut that in half, and of course we have to keep in mind, that this isn't necessarily revenue.

It is maybe revenue.

For example, if we didn't do the \$40,000 for the Zilker kite festival, would they have a kite festival?

So maybe we wouldn't get that income so all of that has to be taken into account but I think that's a project. I am not going to count on getting a million bucks in savings in this budget out of this.

Maybe something, but not a million bucks, but it definitely is something we need to look at for the future.

Economic development, I assume that we have assurance that all of these funds economic programs and the economic development department will not be adversely affected by these cuts.

Has that been vetted?

>> It has.

None of these proposals are intended to affect these departments.

It is shifting the funding.

We were talking about shifting some of the funding to the general fund.

This would be shifting it back in that particular case, back to Austin Energy.

>> Mayor Leffingwell: Yeah.

And my final question for right now is going to be and I am going to ask this for fun, mainly.

APD overtime for the trail project, minus half a million bucks.

That is a public safety cut.

All of that is going to be covered out of overtime and, I think I am correct to say, we have seen the APD budget for overtime actually cut the last several years.

That's been progressively cut over time, or at least the projected increases have been cut.

So I don't know what the impact of that is, but I think we've got to call it what it is.

It is a reduction in the APD budget.

I don't think there is any question about this.

This note here, as I mentioned to you earlier, can't be absorbed by the 47 new officers because those officers aren't going to be on duty until April of 2015.

So they are not even going to see FY '14 so it's definitely a half a million dollars in the APD's budget for overtime.

Whether they can do that or not, I think that's that's a question worth asking.

Can they absorb that or not?

It is a question I intend to ask.

>> Cole: Mayor.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: I definitely want to agree with you, that affordability is one of the number one issues facing the city and that this Council has taken a hard stance on affordability and is not anything that we do all yearlong that shows our commitment to affordability than setting the tax rate.

But at the same time, we have a laundry list of unmet needs and we have to think balance that against our economic prosperity and our livable city.

I want to thank the staff for bringing forth some options that are practical and fiscally responsible and I also want to advocate for returning as much to our citizens as possible, but I do think that we need to know which of these items we agree with before we set on a nominal rate and that there are rates, such

as just reducing the tax rate by a nickel that would be in between the proposed rate but less than the nominal rate, where we would still reduce the proposed rate.

And so with that said, mayor, I would like to see us simply move through the presentation, because I would like my colleagues' comments on almost every page of this presentation, which is not that long or if they are ready to comment, but the first question that I have is not really for Ed.

It's for the people who these sponsors of the Hyde Park plaza improvement.

Any of you guys have any idea what that number will be?

>> Morrison: Mayor.

>> Mayor Leffingwell: Council member Morrison.

>> Morrison: Thank you.

I I don't know if Mr. Lazarus is here.

We worked with him at the public works issue, and it was my understand okay, it will probably be better if he addressed it directly.

They were looking at a lot of different possible options.

You know, there is neighborhood partnering program and things like that, and some of the some of the work is actually going to be done on some private property so the property owners are going to do that so they my understanding is it was not a huge number.

So maybe we can wait for Mr. Lazarus to come in and when he does, we can move on.

Oh.

>> Mayor Leffingwell: Council member Martinez.

>> Martinez: Just before we start getting into, really, deep details, I want to get some broad comments first.

The first one being, I appreciate you really, really listening and taking a hard look at at helping us achieve our goals with your goals as well and still maintains this great city that we all love.

I really do appreciate it.

I know this has not been an easy budget process and I know I probably have been the worst of any of them, giving you questions about it, and grief about it so I do want to acknowledge that and thank the city manager and your staff and the budget staff for what you brought before, because I think you bring real options today.

I think that we will still have some questions and we still may struggle with decisions moving towards next week, but the one comment I will make is what I really, really like about this proposal today is that it is progressive.

It is taking property and sales tax and using that to really cover the issues that are important to us, and so I would really be hesitant of accepting any of these if it is commiserate of a fee being increased in any department because believe that is very regressive.

If we are going to shift from a departments that funded by fees into the general fund and then go back and just increase those fees, have we really done anything in our budget?

Other than tax it another way, by raising fees to another department?

So again, I appreciate that work but that's the caution I would have, in that I would want to be able to realize these funds into the general fund, apply them to the priorities and unmet needs and not go back and raise fees at water utility, resource recovery, AE, and other departments.

>> Mayor Leffingwell: I agree with council member Martinez on that point certainly.

But I want to make one more broad response quickly in response to mayor pro tem, and that is I understand there are always going to be unmet needs but if we can't hold at least hold our tax rate flat a rate flat we are still having a tax increase, even with a flat rate if we can't hold our tax rate flat in prosperous times like we are having right now, when can we do it?

When can we do it if we can't do it now?

Council member Morrison.

>> Morrison: I see Mr. Lazarus is here and I wonder if he can speak ballpark figures for the Hyde Park plaza work.

>> Howard Lazarus, public works director.

Working estimate for that project is about half a million dollars.

We haven't done a lot of detail design so I wouldn't expect that to be a hard and fast number but that is the working estimate and we will have staff look at it, do some preliminary designs, we can fine tune that number a little bit.

>> Morrison: Okay.

It was my understanding there were going to be options in terms of looking for funding in trying to make that happen.

Were there thoughts of having a neighborhood partnering program as possibilities and things like that?

>> We initially looked at it as a partnering neighborhood program but it went beyond the program we had established.

We didn't look at funding half a million dollar infrastructure project out of a program that was aimed to look at projects more than \$150,000.

We did make one exception for the ADA fishing pier which we incorporated into the boardwalk project but that would consume about a third of the moneys that were put in the last bond program, which would mean a lot of smaller, deserving neighborhood projects wouldn't get funded.

There are some opportunities to look at doing the project in increments in terms of doing some soft alley work they proposed and in doing some of the parking on the west side of the street.

There are right of way issues and property owners that we have to address as well.

If we do it in smaller pieces, there may be some funds that are residuals after we fund the capital projects and there may be fund after we balance the transportation at the end of the year because generally the fund balance is larger than we project because we have to make reserves for uncollectibles and other items that comes up.

So I think it is a project that lends itself to doing some of it in pieces and the rest of doing estimate of heavy part and drainage part, we have to come back and see where the funds are.

I hate to give you a hard number now without having to do any real preliminary engineering.

>> Morrison: You are saying it could be a multiyear project and we don't necessarily have to dedicate a half million dollars to it in this budget?

>> I think it's premature right now to put that kind of money into it because we don't have a design done and we still have work to do with some of the property owners around there to make sure we can change some of the head in parking and do some of the drainage work.

>> Morrison: Thank you.

>> You are welcome.

>> Morrison: Mayor pro tem.

>> Yes.

>> Morrison: I think it would be great for us to walk through this in more detail.

I wanted to make one well, to thank staff for doing this.

I think this is exactly the kind of help we needed from staff.

So I appreciate it.

I I also want to mention that I have some other ideas, and I expect some of my colleagues have other ideas of where we might loosen up some funds, and so I think that, you know, \$15 million is terrific.

We probably will not accept all of these, but we need to find, as far as I am concerned, any money that we think should is really not worth spending this year, etch if we don't make it up in spending it on something else, because every bit that we do there is going to allow us to lower the tax rate.

So I am looking forward to that discussion.

>> Mayor Leffingwell: Council member Martinez.

>> Martinez: So let's I guess we can start that conversation.

If there are any proposals out there that we all have talked about or thought about in terms of creating savings, maybe we add it to this 15 million, get a running tab, and then start backing our way down and see where we end up.

So just for point of information, since we started the budget process and where we are today, there are only 74 existing vacant F.T.E.s that we could potentially freeze, but that equates to a \$4.4 million savings that could be realized as a structural expense if we not eliminate, just freeze those 74 F.T.E.s.

I will also be proposing, as a policy, that we reinstitute the a more rigorous rehiring process that we had in place after the 2009 budget so that there is more of a justification for that.

But just from a cost savings standpoint, if those existing 74 are frozen, not eliminated, that's \$4 million.

If we an additional 18 in the current proposed budget, that's \$1.08 million.

>> Mayor.

>> Martinez: 1.08, 180,000 in the current budget.

I am talking about last year's vacancies at 74 equals 4.4 million, in this year's proposed budget, 18 equals about a million.

>> Spelman: We have a lot more than 74 vacant F.T.E.s, though.

Which ones did you have in mind?

>> Martinez: Well, I don't have that list of which ones are still vacant but I know that there are 74 that are not being processed and still vacant of the 900.

>> Spelman: Okay.

Not being processed meaning there is no hiring process on them right now?

>> Martinez: Yes, sir.

That's what staff told us as of, I believe, a week ago.

So moving prospectively to this year's budget, the reason I pulled number 18, because in Code Compliance, that's about what we are asking for in new F.T.E.s.

Last year we gave them 22 new F.T.E.s.

This year they are seeking 19 new and 7 transfers, but they are projecting their the number of cases to go in 2010 and '11 from 24,300 to 16,972, so I just think that's worthy of a conversation to me.

Now, I know staff said those numbers may not be correct.

I am open to getting the correct numbers but until then I have to go with what was provided to us.

If we are reducing our case number by 8,000 cases and going up almost 100% on employees, I don't I don't from last year, in terms of increase, I don't understand how we justify that.

So that would be another million dollars in savings.

>> Morrison: That's one time.

>> Martinez: What is that?

>> Mayor Leffingwell: One time.

>> Morrison: That would be one time savings?

>> Martinez: That would be structural was today's budget for F.T.E.s if we eliminated 18.

>> Morrison: Okay, but the 74 is a freeze for one year?

>> Martinez: That's right.

It would still be structural because it is a freeze of existing F.T.E.s that are on our books.

>> Cole: What Dow you mean when you say structural.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: Sorry.

>> Mayor Leffingwell: It is going to be real easy to get into a big conversation here, so

>> Martinez: We struggled with this last year as well.

>> Cole: Yes, we did.

>> Mayor Leffingwell: Mayor pro tem did you have a question.

>> Martinez: It is an ongoing expense, meaning number of F.T.E.s didn't go away from year to year.

It is just whether or not that expenditure is made year to year on the F.T.E.s or from somewhere else.

So if we freeze those, that that alleviates the budget burden and gives us additional revenue to spend elsewhere on structural ongoing basis.

>> Spelman: Mayor.

>> Mayor Leffingwell: Council member Spelman.

>> Spelman: By freeze you are not talking about for next year we are going to freeze them, you are saying next year we are going to go forward and you are essentially talking about eliminating the F.T.E.s.

Maybe we should eliminate them and if necessary put them back.

>> Martinez: That's another way to think about it.

The reason to freeze them, I think he is harder to put them back in a budget than take them out.

If we freeze them and it defeats rigorous hiring process, it gives time for the departments to make justification, this is critical and needed, as opposed to waiting for the next year budget cycle and asking for additional F.T.E.s.

>> Mayor Leffingwell: Just to clarify and then you are next, council member Tovo, just to clarify, if you freeze them for this year and don't eliminate them, isn't that a one time savings?

>> Martinez: Only if we come back as a Council and add these employees back into the budget.

>> Mayor Leffingwell: So they would be cut.

They would be vacant positions that were cut and they would have to be re added so to me, it is like we are cutting positions, period.

We may add some in subsequent years but when you are talking about cutting or freezing a vacant position, you are cutting that position.

That means they can't be hired.

Did you want to correct me on that?

>> I do have a comment.

There is a way that you cannot eliminate the positions but position the position authorize the F.T.E. but budget it with \$0, so that you don't have to come back and add the F.T.E. but you can come back in subsequent budgets and add the funding and we do that on rare occasions.

>> Mayor Leffingwell: You have to amend the budget to actually hire the employee and fund the employee?

>> If you did it midyear, you would have to amend the budget to add the funding dollars, or you could come back in a subsequent proposed budget and propose adding the funding but the F.T.E. is already authorized so it doesn't change the head count but changes the dollars.

>> Mayor Leffingwell: You can do the same thing, add the F.T.E. authorization and funding for it so it kind of to me quacks like a duck to me.

Council member Tovo.

>> Martinez: I am not quite done, mayor.

>> Mayor Leffingwell: Go ahead.

>> Martinez: If it quacks like a duck, then we've quacked several times on this because we have done it before.

That's all I am asking, if we quack once, let's quack again.

[LAUGHTER]

Because we are trying to achieve so many things in a budget that's difficult to achieve around I think it's a real option.

I again, mayor, I will completely respect this body and our decision as a whole, but we have done this before in 2009, in 2003, and if we can do it tangentially to help us stay at the nominal rate and help us achieve our goals, why wouldn't we consider it?

That's all I am asking.

>> Mayor Leffingwell: I understand absolutely.

I am saying let's call it what it is.

Let's at least realize what it actually is and council member Tovo.

>> Tovo: I just wanted to ask two quick clarifying questions here.

How did you define positions that were not how did you define those 74?

I noticed looking through the list, some were defined as being reclassified.

Are those within your 74 or are the

>> This is a number that my staff provided to me based on a response from financial services, that we were trying to get to a definitive number because we were told in the budget process there is no longer 900 vacancies, 250 have been posted, certain are in process.

We were just trying to get to the give me the bottom number of what is not in process, what's not being talked about, what's still open and the number we got back was 74.

We are still averaging that on a 50,000 dollar per F.T.E.

>> Tovo: So that may not include the ones that are being reclassified or okay.

And then oh, dear.

Oh, and then the 180, and then the 18 if I understand you correctly, I don't want to belabor the point I know you answered a few.

The 18 that make up estimated 1.08 are proposed additions to this year's budget.

>> Correct.

>> Tovo: I wasn't completely sure I understand that.

I want to say I favor this approach.

I think it's I think it makes good sense for all of the reasons we've discussed before, but, you know, in looking through the budget questions again, I am just struck by the fact that last year our budget had 175 positions in it.

We added 40 at the midyear.

This year proposed budget has 374.

I mean, we almost doubled number of proposed F.T.E.s and I just we have many, many needs and I can understand trying to, you know, do more and whatnot, but that is really a tough I mean, it just has a direct impact on our taxpayers and I think we need to cut back our our wants.

So I I have some ideas about some positions that struck me as opportunities to maybe defer as we talk about as we get through more details but looking at the budget I saw more F.T.E.s that we may be able to postpone at least consideration of for a few years.

>> Mayor Leffingwell: Council member Morrison.

>> Morrison: Yes, I want to respond to council member Martinez' idea which is a great idea, a place to pull back, but one question I have for staff in terms of one time or structural.

It seems to me we have under our general fund some costs that might, in other ways, have been considered one time, like the radio, some of the radios would have been the \$3.3 million and I think maybe they the payroll the excess payroll accrual because of because we have an extra pay period this year, so what I am wondering is, wouldn't it be possible, also, if we were to take council member Martinez' suggestion and loosen up \$4 million for frozen frozen positions that we could move that to

one time money but at the same time move one time costs of the general fund over, also, so that would that would loosen up some of the general fund money.

Do I understand that?

If we are getting into this issue, is it one time funds or not?

>> That's kind of right along the lines of what we were proposing in regards to the additional FY '13 revenues, allows us to lower transfer of CIP to one time things since we will have more one time dollars so any of these options gives us more flexibility in terms of what we bring back to Council as a balanced budget.

I would highlight and I think I know everybody knows this but the 74 positions or the 18, they are in a variety of funding sources, so when you start looking at it aggregate, you know, the Code Compliance positions would help to lower the clean community fee but not the tax rate so I just offer that up as we are listening to you and keeping track of everything.

>> Morrison: Good luck with that.

>> There is a difference obvious between general fund departments and enterprise departments and how they are funded.

>> Morrison: Right and I guess I am interested in whether if there is a way to move it as a one time fund but at the same time loosen up general funds if that would still achieve the objective you are looking for.

Council member Martinez, if I may ask.

>> Martinez: Obviously I defer to budget staff, but, yes, if we want the call it one time saving then we identify something in the structural budget, that is a one time expense, switch expense over and that creates structural savings.

>> Morrison: This year we happen to have plenty.

>> Martinez: There is a lot.

>> Morrison: Of the one time yeah.

>> Mayor Leffingwell: Council member Spelman.

>> Spelman: Thank you, mayor.

I have a gazillion questions on a gazillion subjects but right now it is council member Martinez' proposal so let's talk about that.

Do you have a list of what the positions are or the departments coming from?

>> Of the 74.

>> Of the 74, yes.

>> Martinez: I don't know if we were given that level of detail.

>> (Indiscernible).

>> Spelman: Which question is that?

>> Martinez: The question we asked for vacancy savings was budget question 108 but what we asked was in 2009, in the third quarter when we froze 286 positions, what were the titles, and we got a response to that.

>> Spelman: Yeah.

>> Martinez: So this question came this answer came in beyond the, can we ask any more questions period so we appreciate them responding with a number.

Obviously there are some details that have to be provided and that is what department did they come from.

>> Spelman: I would bet that a lot, maybe the vast majority of the 74 vacancies are going to stay vacant throughout the year.

They have no plans, even if they were funded, to be hired, but some of them, they may be and I think we probably ought to be doing a little morphine tuning rather than me us getting rid of them all wholesale.

>> Martinez: Even if they are from enterprise department funds, it also plays into staff's proposed budget in that we are transferring from those funds back into general fund to create expenditure space.

Maybe we couldn't have to increase those fees in those respected departments.

>> Spelman: I understand that.

I also feel the need to mention this is done at the university all the time.

We refer to it as cannibalizing the line, in keeping a zero line but the reason we do it that way in the university is each of the operating departments getting aligns from the tower is very difficult to do and feeding them, once it becomes available is much easier to do.

I am not sure this is really a practical difficulty here.

Do Elaine, is there a practical difference from your point of view between freezing a line and not funding it?

And, on the other hand, simply stripping a line out of the budget and putting it back in when it is necessary later on?

[one moment, please, for change in captioners]

CITY OF AUSTIN 9/3/13, CITY COUNCIL SPECIAL CALLED MEETING, 2:00 P.M. TO 3:30 .

>> OKAY.

THANK YOU.

MAJOR, I'VE ALSO GOT A QUESTION FOR COUNCILMEMBER MARTINEZ ON THE REHIRING PROCESS.

IS THAT LIKELY TO RESULT IN SAVINGS TO THE GENERAL FUND OR TO ANY OF OUR FUNDS?

AND IF SO, HOW?

>> I THINK IT CERTAINLY COULD BECAUSE IN A NORMAL PROCESS, AND THIS IS MY UNDERSTANDING, PLEASE CORRECT ME, ED.

WHEN WE TALKED ABOUT OR ACTUALLY I THINK COUNCILMAN RILEY ASKED THIS QUESTION.

WHEN ASKED OF STAFF WHAT DOES IT TAKE TO FILL A POSITION, IT'S ABOUT 60 DAYS IN A NORMAL PROCESS.

SO WE FUND \$50,000 ON A 12 MONTH ANNUALIZED BASIS.

IF WE INSTITUTE A MORE RIGOROUS TIME BASIS, COULD THAT TAKE 90 DAY, ONE HYUNDAIS, AND IF 100 DAYS, AND IF SO, YOU'RE REALIZING SOME TRUE SAVINGS IF YOU START TO DO THAT.

HOW YOU CALCULATE THAT, THAT'S OBVIOUSLY SOMETHING BUDGET WOULD HAVE TO HELP US WITH, BUT THERE IS POTENTIAL SAVINGS.

IT'S ALSO NOT JUST ABOUT A SAVINGS PROCESS.

IT'S ABOUT A JUSTIFICATION PROCESS, IN MAKING SURE THAT WE'RE SEEKING IN NEW FTES ONE, WE CAN JUSTIFY IT THAT EITHER IT'S NECESSARY TO MAINTAIN SERVICES OR IT WILL IMPROVE SERVICES TO THE CITIZENS IN THOSE AREAS.

>> A FOLLOW UP QUESTION IF I COULD, MAYOR.

>> MAYOR LEFFINGWELL: BEFORE YOU GET INTO OTHER STUFF, I WANT TO HAVE A QUESTION.

>> I'M STILL TALK ABOUT COUNCILMAN'S PROPOSAL.

ED, IF WE HAVE A VACANCY NOW, AND PRESUMABLY THE VACANCY WOULD ONLY BE FILLED AFTER WE'VE GONE THROUGH A HIRING PROCESS WHICH AVERAGES SOMETHING LIKE 60 DAYS, WHAT

ASSUMPTIONS DO WE MAKE ABOUT THE PROPORTION OF THE TIME DURING FISCAL YEAR '14 THAT THAT CURRENTLY VACANT LINE WILL BE VACANT?

>> MARTINEZ: WE DON'T BUDGET OUR VACANCY SAVINGS ON A POSITION BY POSITION BASIS.

WE DO IT MORE ON AN AGGREGATE BASIS.

SO IN A SMALL DEPARTMENT LIKE THE CITY CLERK'S OFFICE OR MOST OF OUR MAJOR AND CLERK'S OFFICE MAYOR AND CLERK'S OFFICE.

WE'RE NOT GOING TO BUDGET A VACANCY SAVINGS, THEY MIGHT NOT ACHIEVE IT.

IT VARIES A LITTLE BIT BY DEPARTMENT, BUT WE'RE REALLY DOING IT MORE ON A DEPARTMENT WIDE BASIS, BASED UPON MORE HISTORICAL TRENDS FOR HOW MANY VACANCIES THEY TYPICALLY CARRY AT ANY GIVEN TIME, HOW MUCH TURNOVER THEY EXPERIENCE, HOW LONG IT TAKES THEM TO FILL POSITIONS.

IT'S JUST MORE GLOBE BALANCELY THAN WE CURRENTLY GLOBALLY AT THIS POINT IN TIME HAVE X NUMBER OF VACANCIES AND BUDGETING OF VACANCY SAVINGS FOR EACH POSITION.

AND THAT GETS BACK TO THE OPTION THAT STAFF BROUGHT FORWARD WAS, I THINK THE SIMPLEST WAY TO DO ANY OF THIS IS TO SIMPLY INCREASE THAT VACANCY SAVINGS ABOUT TO SOME DEGREE AND TO ASK OUR DEPARTMENTS TO BE RESPONSIBLE FOR MANAGING THEIR BUDGETS TO IT.

AND IF PART OF THAT IS A MORE RIGOROUS HIRING REVIEW PROCESS, IT EXTENDS THE AMOUNT OF TIME IT TAKES TO FILL A POSITION, THEN THAT COULD CERTAINLY HAPPEN.

BUT THAT, TO MY, IS MOST THE ADMINISTRATIVELY EFFICIENT WAY TO HANDLE IT.

THERE'S JUST A BUDGETED VACANCY SAVINGS THAT THEY'RE EXPECTED TO MEET BY THE END OF THE YEAR.

>> SPELMAN: OKAY.

THANK YOU.

>> AND I WANT TO EMPHASIZE, I'M NOT TRYING TO ARGUE WITH COUNCILMAN MARTINEZ ABOUT IF THESE POSITIONS ARE VACANT AND NOT INTENDED TO BE FILLED, BY ALL MEANS THEY SHOULD BE CUT OUT OF THE BUDGET.

BUT I THINK WHAT WE'RE TALK ABOUT HERE ARE POSITIONS THAT ARE LISTED AS VACANT THAT ARE INTENDED TO BE FILLED AT SOME POINT.

AND YOU'VE GOT A WAY TO ACCOUNT FOR THE AMOUNT OF TIME THAT THEY'RE ACTUALLY VACANT IN THE BUDGET WITH YOUR VACANCY SAVINGS CALCULATIONS, WHICH IS, YOU KNOW, A PERCENTAGE OF OVERALL.

BUT IF WE'RE GOING TO GO TO DEPARTMENT BY DEPARTMENT, DIVISION BY DIVISION AND GO THROUGH THIS PROCESS OF JUSTIFYING EVERY SINGLE ONE OF THESE POSITIONS, THEN BY ALL MEANS DO IT.

I WOULD ONLY POINT OUT THAT A COUPLE OF DEPARTMENTS THAT WE'VE DONE IT IN, WE STARTED OUT WITH A LARGE NUMBER OF APPARENT VACANCIES, AND BY THE TIME WE ELIMINATED THOSE THAT WERE POSITIONS THAT WITH IN PROCESS, THOSE THAT WERE NOT FUNDED BY THE GENERAL FUND, ET CETERA, WE WOUND UP WITH A VERY SMALL FRACTION OF WHAT WE STARTED WITH.

AND I THINK THAT'S HOPEFULLY, IF THE DEPARTMENTS AREN'T DOING IT THAT WAY, IF WE DON'T SEE THAT KIND OF RESULT IN ALL THE DEPARTMENTS, THE DEPARTMENT HEADS HAVE NOT DONE THEIR JOB.

I THINK YOU CAN SAY THAT SAFELY.

I'M GOING TO AGREE WITH YOU, ED, THAT THE SIMPLEST WAY TO DO IT IS TO JUST PROJECT AND INCREASE VACANCY SAVINGS RATE, THAT WOULD BE PROBABLY A MUCH MORE EFFICIENT WAY OF APPROACHING THIS PROBLEM THAN ACTUALLY CANCELING, FREEZING OR WHATEVER OTHER MECHANISM THAT BY ALL MEANS, IF THERE'S IF WE DON'T NEED THE POSITION, LET'S GET RID OF IT, BUT I THINK YOU'VE GOT TO GO THROUGH A RIGOROUS PROCESS TO MAKE THAT DETERMINATION.

>> I WOULD ALSO WANT TO UNDERSCORE WITH WHAT ED SAID AND I THINK I HEARD YOU AGREEING WITH HIS APPROACH IN TERMS OF MANAGING TO A NUMBER, THAT IS THE ADDITIONAL 1% IN REGARD TO THE VACANCY SAVINGS.

I THINK THAT IS, TOO, THE MOST EFFICIENT WAY, AND ALSO WE'RE RELYING ON OUR BUSINESS EXECUTIVES, OUR DEPARTMENT HEADS TO MAKE INTELLIGENT DECISIONS IN THAT REGARD AND TO THEIR RESPECTIVE BUSINESSES.

I THINK THEY'RE IN A GREAT POSITION TO DO THAT, UNDERSTANDING WHAT'S GOING ON IN THEIR PARTICULAR OPERATION.

I ALSO THINK THAT IT CHALLENGES THEM TO REALLY FOCUS ON AND JUSTIFY THEIR JUSTIFY THEIR DECISIONS.

AND I THINK THAT'S THE POINT THAT ED WAS TRYING TO MAKE EARLIER AS WELL.

>> MAYOR, I HAVE A QUESTION FOR COUNCILMAN MARTINEZ.

>> MAYOR LEFFINGWELL: MAYOR PRO TEM.

>> COLE: I THINK THE VACANCIES COULD BE AS MUCH AS 4 MILLION, BUT I WOULD LIKE TO FEEL HOW COUNCILMEMBER MARTINEZ FEELS ABOUT GIVING STAFF THE CHARGE THAT WE WOULD LIKE TO SEE VACANCY SAVINGS OF 4 MILLION GO THROUGH DEPARTMENT BY DEPARTMENT AND IDENTIFY THOSE FOR US TO CONSIDER AS OPPOSED TO US TRYING TO MANAGE WHAT THOSE ARE.

>> I WOULDN'T HAVE A PROBLEM WITH THAT.

I THINK, FOR ME, A BIGGER SUBSET ISSUE IS WHAT POLICY IS USED MOVING FORWARD TO MANAGE THIS?

BECAUSE THAT'S THE SITUATION WE'RE IN.

AND I THINK THAT'S WHAT THE CITY MANAGER JUST TALKED ABOUT.

IT'S GOING TO PUT A BIGGER CHALLENGE ON STAFF, DEPENDING ON THE PROCESS, IF YOU WILL, MOVING FORWARD.

RIGHT NOW THERE REALLY ISN'T VERY TRANSPARENT AND FAIR, IN MY MIND, THAT I KNOW OF.

MAYBE THERE IS.

THAT I KNOW OF WAY THAT THIS IS BEING MANAGED.

SO IF YOU SEE YOURSELF IF YOUR DEPARTMENT DIRECTOR AND YOU SEE YOURSELF FALLING SHORT IN SOME AREAS, DO YOU JUST HOLD ON WITH HIRING THOSE EMPLOYEES SO THAT YOU DON'T GO OVERBUDGET IN CERTAIN AREAS, OR OVERBUDGET OVER ALL OR IN CERTAIN AREAS.

I GET THAT THAT HAPPENS.

I GET THAT THAT'S PART OF THE DIRECTOR'S ABILITY TO MANAGE THEIR DEPARTMENT.

BUT FOR TRANSPARENCY REASONS AND FOR PRACTICAL REASONS, I THINK ALL I'M ASKING FOR IS A BETTER PROCESS.

AND I'M NOT DICTATING WHAT THAT PROCESS IS, I JUST DON'T THINK THAT OUT OF 12,000 CITY EMPLOYEES, 10% OF THOSE BEING VACANT, AND HALF OF THOSE BEING VACANT FOR MORE THAN SIX MONTHS IS THE BEST WAY TO MANAGE VACANCIES.

AND STAFF HAS AGREED, AT LEAST TO 1%.

THEY'VE COME BACK AND SAID, OF THOSE 900 VACANCIES, WE CAN IMPROVE THAT.

IT'S A START.

IT'S A GREAT START.

AND I LOOK FORWARD TO THAT CONVERSATION, BECAUSE AT LEAST IT'S AN ACKNOWLEDGMENT THAT THERE IS SOMETHING BETTER THAT WE CAN DO WITH OUR VACANCIES THAT IS TRUE SAVINGS THAT CAN BE APPLIED WHEN WE'RE TALKING ABOUT UNMET PRIORITIES AND TRYING TO REDUCE THE TAX BURDEN.

>> IF I MAY.

>> MAYOR LEFFINGWELL: CITY MANAGER?

>> WE ARE SAYING GENERALLY SPEAKING IN TERMS OF THE ADDITIONAL 1% OF VACANCY SAVINGS, THERE COULD BE POTENTIAL CONSEQUENCES, THOUGH, ASSOCIATED WITH TRYING TO MANAGE TO THAT NUMBER.

YOU KNOW, THE DEPARTMENT HEADS WILL BE ULTIMATELY IN THE BEST POSITION TO KNOW WHAT THAT'S GOING TO BE, AS THEY TRY TO COMPLY WITH THAT HIGHER LEVEL VACANCY RATE, VACANCY PERCENTAGE.

SO I WANT TO MAKE SURE THAT THAT'S UNDERSTOOD IN THAT CONTEXT, THERE WILL BE CHALLENGES ASSOCIATED WITH ACCOMPLISHING THAT.

>> MAYOR LEFFINGWELL: OTHER QUESTIONS? OKAY.

ARE WE DONE WITH THAT SUBJECT?

I'VE GOT ANOTHER SUBJECT.

THIS IS GOING TO BE A QUESTION, BECAUSE YOU'RE NOT GOING TO HAVE THE ANSWER TO THIS BECAUSE I JUST THOUGHT OF IT.

I HAVE MENTIONED IT BEFORE, ACTUALLY, BUT IT HAS TO DO WITH EMPLOYEE RAISES.

COULD WE GENERATE SOME NUMBERS BEFORE THE BUDGET HEARINGS ON WHAT A PARTIAL 3% WOULD LOOK LIKE?

FOR EXAMPLE AND I DON'T KNOW WHAT THE RIGHT CUTOFF POINT IS, BUT IF WE DID 3% FOR ALL CITY EMPLOYEE THAT'S EARN LESS THAN 40,000, YOU KNOW, OR WHATEVER THE APPROPRIATE NUMBER IS, AND THEN 1 1/2% FROM THE REST, WHAT WOULD THAT LOOK LIKE?

IT'S JUST SOMETHING YOU CAN HIT A COUPLE OF BUTTONS AND FIGURE THAT ONE OUT.

>> IT MIGHT BE MORE THAN A COUPLE.

IT WOULD HELP IF WE HAD SOME PARAMETERS, IF IT'S 40 OR 60.

>> MAYOR LEFFINGWELL: WELL, I NEED AS VICE ON HOW TO ADVISE ON WHERE TO SET THAT CUTOFF POINT.

I DON'T KNOW HOW MANY EMPLOYEES THAT WE HAVE THAT MAKE LESS THAN THAT OR...

>> I DON'T EITHER, BUT WE CAN CERTAINLY RUN THAT SCENARIO OR ANY NUMBER OF SCENARIOS.

>> MAYOR LEFFINGWELL: SO THE IDEA WOULD BE, FIRST OF ALL, THESE ARE THE GUYS THAT NEED IT THE MOST, GUYS AND GALS THAT NEED IT THE MOST.

AND THE BUDGETARY IMPACT WOULD BE LESS, BECAUSE 3% OF 40,000 IS A WHOLE LOT LESS THAN 3% OF 200,000, SOMETHING LIKE THAT.

SO THAT'S THE IDEA.

SO I'M TRYING TO GET SOME KIND OF ORGANIZED APPROACH TO THAT TO SET SOME PARAMETERS FOR US.

COUNCILMEMBER MARTINEZ.

>> MARTINEZ: I THINK WE CAN POTENTIALLY LOOK AT THAT.

THE CAUTION I WOULD TAKE WITH THAT LET'S SAY YOU'RE A PROBATIONARY PROBATION.

YOU GIVE THAT PROBATIONARY EMPLOYEE 3% RAISE, NOW HE'S OVER HE OR SHE IS OVER THAT EMPLOYEE THAT'S BEEN IN THAT POSITION FOR TWO YEARS.

>> MAYOR LEFFINGWELL: OKAY.

NO RAINS FOR PROBATIONARY EMPLOYEES.

>> MARTINEZ: I'M JUST TALKING ABOUT THE POTENTIAL CONSEQUENCE BECAUSE WE HAVE LAYERS OF PROMOTION WHERE IT COULD BUMP SOMEBODY INTO THE POSITION HIGHER THAN THE POSITION ABOVE THEM.

>> MAYOR LEFFINGWELL: IT'S CREATING A NOTCH, A DOUGHNUT HOLE, WHATEVER.

>> MORRISON: ONE WAY I LIKE THAT IDEA OF BEING ABLE TO MAKE IT LESS OF A FINANCIAL IMPACT TO THE BUDGET, BUT MORE OF AN IMPACT TO THE FOLKS THAT ARE ON THE LOWER END OF THE SALARY.

ONE WAY TO LOOK AT IT MIGHT BE TO SAY, WHAT WOULD A 3% RAISE BE FOR SOMEBODY IN ACTUAL DOLLARS THAT MAKES \$40,000 A YEAR?

AND THEN MAKE IT, YOU KNOW, A

>> MAYOR LEFFINGWELL: PROGRAM.

>> MORRISON: AN ACTUAL AMOUNT, A FLAT AMOUNT.

AND THAT WAY THERE'S NO NOTCH, IT'S JUST THAT THE PERCENT GETS HIGHER THE LESS YOU MAKE.

SO I THINK THAT MIGHT BE ANOTHER OPTION TO LOOK AT.

ACTUALLY MIGHT ACHIEVE EVEN MORE STRONGLY SOME OF THE GOALS THAT WE HAVE.

>> MAYOR LEFFINGWELL: I AM FLEXIBLE ON THAT.

>> MORRISON: MR. BANDINO, IS THAT GETTING A LITTLE IS THAT GETTING ANYWHERE CLOSE ENOUGH TO HELP YOU THINK ABOUT SOMETHING TO DO?

WHAT ABOUT IF WE LOOK AT WHAT WOULD BE THE ABSOLUTE DOLLAR AMOUNT TO GIVE SOMEBODY THAT MAKES \$50,000 A YEAR A 3% RAISE OR AN EXTRA 1 1/2% RAISE.

WE WERE TALKING I THINK YOU SAID, MAYOR, YOU STARTED THAT EXTRA ONE AND A HALF PERCENT.

>> MAYOR LEFFINGWELL: I SAID 40.

>> MORRISON: SO LET'S SAY 40.

WOULD WOULD IT TAKE IN DOLLARS TO SOMEONE MAKING \$40,000 A YEAR OF GETTING AN EXTRA ONE AND A HALF PERCENT RAISE, AND LOOK AT THE IMPACT TO ACTUALLY ADDING THAT DOLLAR AMOUNT TO EVERYBODY'S SALARY.

>> MAYOR LEFFINGWELL: AND I WANT TO EMPHASIZE, I WOULD ONLY SUPPORT THAT AFTER WE'VE GOT INDOWN TO THE

>> MORRISON: I'M WITH YOU ON THAT, MAYOR, AND I THINK WE CAN ACHIEVE SOMETHING LIKE THAT.

BUT DID YOU HAVE

>> I DID.

THE FIREFIGHTERS, ACTUALLY, WE ACTUALLY DID THIS IN OUR FIRST COLLECTIVE BARGAINING AGREEMENT.

THE LOWEST RANKED FIRE FIREFIGHTER MADE UP TO 20%.

THE HIGHEST PAID IN THAT CONTRACT MADE 1.2% OVER A THREE YEAR PERIOD.

SO I THINK IF YOU'RE GOING TO DO IT, DO IT ON A PERCENTAGE BASIS.

WHAT DOES 3% MEAN TO A \$40,000 EMPLOYEE, AND THEN REDUCE THAT PERCENTAGE AS THE SALARY STAGE GOES UP.

SO IF YOU'RE AT \$50,000, YOUR PERCENTAGE OF INCREASE WOULD BE

>> MORRISON: WELL, I THINK THAT'S WHAT THIS EFFECTIVELY DOES.

IF WE SAY WE'RE GOING TO DO \$1,000 ON TOP OF THE ONE AND A HALF PERCENT RAISE BECAUSE \$1,000 IS ONE AND A HALF PERCENT FOR 40.

THAT MEANS THE PERSON MAKING 30 IS GETTING HIGHER THAN A ONE AND A HALF PERCENT.

I THINK IT ACHIEVES THAT AND A PERSON MAKING 100 IS GETTING MUCH LESS THAN AN EXTRA ONE AND A HALF PERCENT.

>> SO ARE YOU TALKING ABOUT A ONE TIME LUMP SUM OR AN ACTUAL STRUCTURAL BASE RATE INCREASE.

>> MORRISON: I THINK WE'RE TALKING ABOUT BASE RATE INCREASE.

>> MAYOR LEFFINGWELL: MAYOR PRO TEM.

>> WE WILL GIVE YOU LOTS OF DIFFERENT WAYS OF DOING THIS.

ALTERNATIVELY, HERE'S HOW MANY PEOPLE ARE MAKING BETWEEN ONE AND 120.

HERE'S HOW MANY PEOPLE ARE MAKING BETWEEN 80 AND 100, OR HOWEVER YOU BREAK IT DOWN, AND INVITE US TO SCREW AROUND WITH IT SIX WAYS FROM TUESDAY, I THINK WE WILL PROBABLY TOOL WITH IT IN WAYS THAT YOU WILL NOT EXPECT AND YOU MIGHT BE ABLE TO GET SOME HELP IN MAKING THOSE CALCULATIONS.

IS THAT DOABLE ON YOUR PART OR IS THAT TOO MUCH TROUBLE.

>> I THINK WE CAN COME UP WITH SOMETHING THAT WOULD HELP YOU OUT.

IT NEEDS TO BE SIX WAYS FROM MONDAY, THOUGH.

>> SPELMAN: IT'S ALREADY TUESDAY, THAT'S TRUE.

>> COLE: LET ME CLARIFY WE'RE DISCUSSING WHAT'S ON THE TABLE, PAYING PEOPLE A HIGHER PERCENTAGE OF 1.5 THAT EARN 40,000 OR LESS, AND THAT GOING INTO THE BASALRY, AND THEN BASE SALARY, AND THEN PEOPLE THAT EARNED MORE WITHIN THE GENERAL FUND, A TOTAL OF A DID WE SAY 2 PERCENT?

WE HAVEN'T SAID.

THAT'S WHAT YOU WERE GETTING AT.

COUNCILMEMBER SPELMAN.

>> SPELMAN: I DON'T THINK WE KNOW ENOUGH TO SAY IF IT SHOULD BE 2 PERCENT OR \$600 OR WHAT, AND IF WE HAD THE RAW MATERIAL TO WORK WITH, WE WOULD ALL WORK IT OUT IN SLIGHTLY DIFFERENT WAYS BUT WE'D HAVE A MORE PRODUCTIVE CONVERSATION BECAUSE WE WOULD KNOW WHAT THOSE NUMBERS LOOK LIKE AND HOW DIFFERENT OUR PROPOSALS ARE FROM EACH OTHER.

>> COLE: AND COUNCILMEMBER MARTINEZ ACTUALLY I THINK I THE MAYOR STARTED THIS DISCUSSION, BUT I WANT TO MAKE SURE WE GET IT CLEAR, IT WAS IN THE CONTEXT OF REDUCING THE AMOUNT OF NOT THE 2 MILLION THAT WE HAVE BEEN TALKING ABOUT; IS THAT CORRECT, COUNCILMEMBER MORRISON?

BECAUSE I THINK WE NEED TO GIVE SOME DIRECTION.

>> MORRISON: MAY OR MAY NOT.

>> COLE: YOU JUST WANT THE INFORMATION.

>> MORRISON: WHAT I PROPOSE MAY OR MAY NOT REDUCE IT.

>> I THINK IF WE'RE GOING TO DO THIS EXERCISE, WE NEED TO CREATE A TRUE BASE.

AND IN MY MIND, THE TRUE BASE WOULD BE THE LOWEST PAID FULL TIME FULL BENEFITED EMPLOYEE.

THAT'S THE BASE.

NOW WE HAVE TO DECIDE WHO'S THE PEAK?

WHO'S THE 100 PERCENT.

WHO'S THE GUY OR GAL THAT'S NOT GOING TO GET A RAISE AT ALL?

IS THAT DEPARTMENT DIRECTORS, IS THAT ACM, IS THAT LARRY WEISS.

WHEN YOU TALK ABOUT DOING THIS, YOU HAVE TO START AT THE BOTTOM AND YOU HAVE TO STOP AT THE TOP BEFORE YOU START CALCULATING.

>> AND I AGREE THAT THAT THAT THAT'S IMPORTANT BECAUSE WE CAN'T KNOW WHETHER WE'RE GIVING SOME DIRECTION A CREATIVE FIGURE ALMOST DOUBLE WHAT WE'RE TALKING ABOUT.

COUNCILMEMBER SPELMAN YOU WANT TO JUMP IN.

>> SPELMAN: I'LL NOT SURE WE ALL AGREED WE WERE GOING TO GIVE MEDICAL DIRECTOR, GENERAL MANAGER 0 PERCENT INCREASE, ONLY THAT THEY WOULD PROBABLY I THINK A COMMON CONSENT THEY MIGHT BE GETTING A SMALLER INCREASE THAN THE LOWER LOWEST PERSON.

SO IT'S NOT NECESSARILY 3% VERSUS 0%, BUT SOME ZERO%, BUT SOME KIND OF SLIDING SCALE.

>> BUT IF YOU START AT A BASE AND YOU SCALE IT, IT IS GOING TO HIT ZERO.

SOMEBODY IS GOING TO GET NO RAISE.

>> SPELMAN: WE DON'T HAVE TO SET IT THAT WAY.

>> COUNCILMEMBER TOVO, I THINK YOU WERE WANTING TO JUMP IN.

>> TOVO: I DO.

BUT ANSWER THAT QUESTION FIRST AND THEN I'LL ASK MINE.

>> MARTINEZ: I THINK WE COULD STRUCTURE IT THE WAY YOU JUST DESCRIBED

>> COUNCILMEMBER, BUT GOING BACK TO THE WAY COUNCILMEMBER MORRISON DESCRIBED IT IF YOU DON'T MIND ME DOING BACK OF THE NAPKIN MATH IF A \$40,000 EMPLOYER WERE TO GET A ONE AND A HALF PAY INCREASE, THAT'S 600 DOLLAR, AND THEN THE THOUGHT WAS EVERYBODY REGARDLESS OF SALARY WOULD GET THE SAME \$600, SO YOU WOULD ACHIEVE THE RESULT THAT \$600 FOR A \$40,000 EMPLOYEE IS ONE AND A HALF PERCENT.

\$600 FOR \$120,000 IS SOMETHING LESS THAN THAT.

BUT IF SOMEBODY GOT \$600 THERE'S ALL THE EMPLOYEES THAT'S \$7.2 MILLION.

THAT'S JUST LOOSE MATH.

>> MORRISON: WOULD THAT BE MORE OF A FOCUS INCENTIVE THAT COULD ALSO GO INTO THE BASE ONCE

>> WELL, IT DOES START TO SOUND LIKE THE SERVICE INCENTIVE PAY THAT WE CURRENTLY HAVE WHICH IS BASED UPON LONGEVITY, WITH REGARDLESS OF PAY IF YOU'VE BEEN WITH THE CITY BETWEEN FIVE AND 10 YEARS, \$500, 10 AND 15, 1,000 OVER 15, 1500, REGARDLESS OF YOUR PAY, IT'S JUST BASED UPON TENURE WITH THE CITY.

IT DOES START TO SOUND A LITTLE BIT LIKE THAT, WHERE IT'S A FLAT AMOUNT, A TWO YEAR BASE WAGED AS OPPOSED TO A PERCENTAGE RATE INCREASE.

>> COLE: COUNCILMEMBER.

>> TOVO: TOVO THE ONLY THING I'D LIKE TO ASK I DID ASK A BUDGET QUESTION.

IT'S MY UNDERSTANDING THAT WE HAVE SUPPORTED A ONE TIME BONUS AND I'M NOT SURE IF IT WAS ADDED TO INDIVIDUAL'S BASE SALARY OR OUTSIDE OF THEIR BASE SALARY, BUT I'M HELPFUL TO GET SOME SENSE OF WHAT OTHER OPTIONS MIGHT EXIST THAT THE CITY MANAGER AND COUNCIL HAVE USED IN THE PAST.

BUT I THINK THIS KIND OF CREATIVE THINKING IS VERY USEFUL AND IT SOUNDS LIKE THERE ARE MULTIPLE OPTIONS THAT WE CAN CONSIDER AND I THINK THAT'S A REAL ADVANTAGE.

>> COLE: I WOULD LIKE TO SEE AN OPTION WHERE WE HAVE DONE IT IN THE PAST WHERE WE DID AN ADDITIONAL 1.5 KIND OF SERVICE INCENTIVE BASE PAY INCREASE AND KEPT BUT WE STILL SAW THE CALCULATIONS THAT THE MAYOR TALKED ABOUT UP TO THE 2% FOR HOLD ON, ED.

WHAT I'M TRYING TO SAY IS A COMBINATION OF WHAT COUNCILMEMBER TOVO SUGGESTED AND FOR INFORMATION AND WHAT THE MAYOR SUGGESTED, AND COUNCILMEMBER MORRISON AND MARTINEZ.

I THINK WE NEED BOTH OF THOSE ANALYZED IN TERMS OF ONE I THINK WE'VE DONE HAVEN'T WE DONE ONE TIME SERVICE INCENTIVE TYPE BONUSES.

>> WE HAD A THREE YEAR PERIOD THAT WAS CALLED SERVICE INCENTIVE ENHANCEMENT, AND IT WAS A PERCENTAGE BASED BONUS.

IN 2007 AND 2008, IT WAS 2 PERCENT, AND THEN 2009, IT WAS ONE%, AND IT WAS ONLY FOR CIVILIAN EMPLOYEES AND IT WAS JUST A BONUS AMOUNT, A ONE TIME PAYMENT PERCENTAGE BASED ON YOUR BASALRY.

>> COLE: SO LET'S LOOK AT IT FROM THE RANK THAT RANGE THAT YOU'RE TALKING ABOUT THAT YOU'RE GOING TO PRODUCE AND ALSO LOOK AT IT FROM THE OPTION OF GRANTING A 1.5 ADDITIONAL SERVICE INCENTIVE BONUS FOR THOSE 40,000 UNDER.

>> SPELMAN: MAYOR, ONE LAST QUESTION ON THE SUBJECT?

>> MAYOR LEFFINGWELL: OKAY.

GO AHEAD, COUNCILMEMBER SPELMAN.

>> SPELMAN: I THINK IN THE BACK OF MANY OF OUR MINDS IS THE CALL FOR MANY EMPLOYEES FOR 3% ACROSS THE BOARD RAISE, AND I HAVEN'T GOTTEN CLOSURE ON WHAT THE 3% ACROSS THE BOARD RAISE WOULD BE SYSTEM WIDE NOT INCLUDING PUBLIC SAFETY UNIONS.

WHAT AMOUNT WOULD THAT COST?

>> SO FOR THE GENERAL FUND, GOING FROM 1.5% TO 3 PERCENT FOR CIVILIAN EMPLOYEES IS AN ADDITIONAL \$2,040,000.

>> SPELMAN: THAT'S FOR THE GENERAL FUND.

PRESUMABLY, WE WOULD BE MAKING THE SAME DEAL FOR ENTERPRISE FUNDS AS WELL.

>> SURE.

THE CITY WIDE FIGURE, WHICH INCLUDES EVERYBODY, ENTERPRISE DEPARTMENT, SUPPORT AND THE GENERAL FUND, THE TOTAL AMOUNT IS 8.3 MILLION.

>> SPELMAN: 8.3 MILLION, AND THAT DOES NOT INCLUDE THE UNIONS WITH WHICH WE HAVE CONFER AGREEMENTS?

>> THAT'S CORRECT THE 8.3 MILLION IS TOTAL, 2 MILLION OF THAT IS THE GENERAL FUND.

>> SPELMAN: AND THE OTHER IS ENTERPRISE, SERVICES AND SO ON.

>> THAT'S EXACTLY RIGHT.

>> MAYOR LEFFINGWELL: LET ME UNDERSTAND.

SORRY, I WAS OUT FOR JUST A MINUTE.

HOW MUCH WOULD THE ORIGINAL PROPOSAL THAT I PUT ON THE TABLE FOR 3% FOR THOSE WITH 40,000 PAID 40,000 FOR LESS AND 1.5% AS WAS ORIGINALLY PROPOSED FOR EVERYBODY ELSE.

>> WE WOULD HAVE TO GET THAT NUMBER.

THE NUMBER I WAS GIVING COUNCILMEMBER SPELMAN WAS IF EVERYBODY WERE TO GET 3% AS OPPOSED TO 1.5%.

>> MAYOR LEFFINGWELL: EVERYBODY.

AND THAT WAS FOR THE GENERAL FUND, NONCONTRACT.

>> THAT'S RIGHT.

\$2 MILLION FOR NONCONTRACT, 8.3 MILLION FOR ALL CITY EMPLOYEES TOTAL.

>> MAYOR LEFFINGWELL: DO YOU HAVE A WILD GUESS FOR WHAT IT WOULD BE FOR MY SUGGESTION?

>> I DON'T, BUT I

>> MAYOR LEFFINGWELL: WOULD IT BE UNDER A MILLION?

>> I REALLY DON'T, SIR, BUT I'M SURE WE CAN GET IT FOR YOU VERY QUICKLY.

>> MAYOR LEFFINGWELL: SO WE'RE GOING TO HAVE TO WHAT WE REALLY NEED TO DO IN THE NEXT YEAR AND A HALF YEAR AND A HALF HOUR AND A HALF, KIND OF SHOWS YOU WHERE WE'RE HEADED.

IN THE NEXT HOUR AND A HALF, IS WE NEED TO HAVE SOMETHING SPECIFIC, OTHERWISE WE'RE LOOKING AT NOT HAVING A BUDGET ON SEPTEMBER 11TH, I THINK.

BECAUSE WE CAN'T BE STILL POSING VARIOUS SCENARIOS LIKE I JUST DID.

THEY HAVE TO BE SPECIFIC SCENARIOS TO COME BACK I MEAN, WE HAVE TO GIVE THE STAFF DIRECTION AND NOT JUST SOME KIND OF ME MORPHOUS THE 11TH IS THE LAST DATE.

WE HAVE TO GIVE STAFF SPECIFIC INFORMATION OF WHAT THEY ARE TO PROVIDE US THE BACKUP INFORMATION ON HOW WE'RE GOING TO HANDLE VACANCIES.

ARE WE GOING TO STAY WITH THE 1% SCENARIO THAT'S IN THIS PROPOSAL OR ARE WE GOING TO DO SOMETHING ELSE?

ARE WE GOING TO GO 2%?

I MEAN, WE JUST NEED TO TELL THEM.

WE NEED TO GET CONSENSUS WE'RE NOT AUTHORIZED FOR ACTION, OF COURSE, BUT WE NEED TO HAVE CONSENSUS DIRECTION.

COUNCILMEMBER MORRISON.

>> MORRISON: I GUESS ONE OF THE THINGS I'M UNCOMFORTABLE WITH IS HAVING A HARD BREAK, WHERE ALL OF A SUDDEN IF YOU MAKE 40,001 DOLLAR YOU DON'T GET TO BENEFIT FROM THIS, I WONDER IF MR. WASHINGTON MIGHT HAVE SOME IDEAS TO THROW OUT THERE TO ACHIEVE THE GOAL THAT THE MAYOR IS THROWING OUT THERE, AND THAT IS THAT THE FOLKS AT THE LOWEST END OF THE SCALE ARE GETTING SOMETHING BUT STILL SMOOTH IT OUT IN A WAY SO WE DON'T HAVE THAT DISCONTINUITY.

>> WE CAN LOOK AT THE OPTION THAT HAS BEEN DISCUSSED BY THE MAYOR AND THE COUNCILMEMBERS.

ANOTHER OPTION I THINK WOULD BE APPROPRIATE TO LOOK 259 IS LOOKING AT LOOK AT IS LOOKING AT THE AVERAGE SALARY AND LOOKING AT THE GRADUATED OR DECELERATED INCREASE FOR THOSE WHO MAKE LESS THAN THE AVERAGE AND A DIFFERENT INCREASE FOR THOSE THAT MAKE MORE THAN AVERAGE.

BUT ALSO ONE OF THE THINGS TO KEEP IN MIND IS I THINK COUNCILMEMBER MARTINEZ MENTIONED IT EARLIER, WE WANT TO AVOID LESS TENURED EMPLOYEES WHO ARE DOING THE SAME JOB MAKING MORE THAN MORE TENURED EMPLOYEES.

SO IF YOU JUST ARTIFICIALLY ESTABLISH A BREAK, THAT COULD BE ONE OF THE UNINTENDED CONSEQUENCES.

AND THE OTHER UNINTENDED CONSEQUENCES IS SUPERVISORS HAVING EMPLOYEES THAT COULD SOMEHOW, IF THERE'S ENOUGH COMPRESSION MAKE LESS THAN THE EMPLOYEES THAT THEY SUPERVISE.

>> MAYOR LEFFINGWELL: LIKE THE CITY MANAGER, FOR EXAMPLE.

>> THAT'S AN EXAMPLE.

>> MAYOR LEFFINGWELL: MAKES LESS THAN ONE OF HIS EMPLOYEES.

>> SO WHAT I WOULD LIKE TO DO IS LOOK AT A PROPOSED PLAN THAT WOULD HAVE ONE RATE FOR EMPLOYEES WHO ARE IN SUPERVISION AND ANOTHER RATE FOR EMPLOYEES THAT ARE NOT IN SUPERVISION.

SO TO MAKE SURE THAT WE DON'T HAVE THE ISSUE OF PIER EMPLOYEES WHO PEER EMPLOYEES WHO ARE MAKING MORE THAN LONGER TENURE EMPLOYEES.

>> AND THAT'S WHAT WE WOULD ANALYZE TO SEE HOW MANY INVERSIONS THAT CREATES.

>> MORRISON: RIGHT.

>> MAYOR LEFFINGWELL: HOW MANY INVERTED INVERSIONS.

>> HOW MANY SALARY INVERSIONS IT CREATES.

>> MORRISON: DIDN'T MEAN THAT, RIGHT.

I WOULD LIKE TO SEE WHAT I HAVE SUGGESTED, BECAUSE I THINK THAT THAT WOULD IF WE DO A FLAT 600 ACROSS THE BOARD, A QUICK 7 MILLION OR SOMETHING, THAT IT WOULD COME UP TO THE GENERAL FUND WOULD BE LESS THAN 2 MILLION, I PRESUME, BECAUSE THE GENERAL FUND IS 2 MILLION WHEN THE SYSTEM WIDE IS 8.3 MILLION, SO I THINK THAT WOULD STILL ACHIEVE THAT.

>> MAYOR LEFFINGWELL: COULD YOU EXPLAIN THAT BETTER FOR ME.

>> MORRISON: YES, I WOULD EXPLAIN THAT.

SYSTEM WIDE IT WOULD TO DO A 1.5 PERCENT, ED TOLD US THAT SYSTEM WIDE IT WOULD BE 8.3 MILLION, AND OF THAT 8.3 MILLION, 2 MILLION WOULD BE TO THE GENERAL FUND.

SO WHEN HE THEN SAID THAT MY IDEA THAT I THREW OUT THERE WOULD COST US 7 MILLION SYSTEM WIDE, I ASSUMED THAT THAT WOULD SCALE DOWN BELOW 2 MILLION, BECAUSE FOR THE GENERAL FUND BECAUSE IT'S LESS THAN

>> MAYOR LEFFINGWELL: WHAT IS YOUR PROPOSAL THERE?

>> MORRISON: MY PRO PROESSAL WAS, SORRY, MAYBE YOU WEREN'T HERE, WAS THAT WE FIGURE OUT WHAT THE 1.5 PERCENT WOULD BE IN ABSOLUTE DOLLARS FOR SOMEONE MAKING 40,000.

AND THEN GIVE EVERYONE THAT ABSOLUTE AMOUNT, INSTEAD OF 1.5 PERCENT.

SO IF YOU MAKE 30,000, YOU'RE GETTING THE \$600, IF YOU MAKE \$40,000, YOU'RE GETTING THE \$600, IF YOU MAKE \$200,000, YOU'RE GETTING THE \$600, WHICH IS A POINT SOMETHING PERCENT RAISE, SO THAT WAY WE DON'T HAVE THE PROBLEM OF ALL OF A SUDDEN SOMEBODY GETS CUT OFF AND THEY'RE MAKING THE, YOU KNOW, 1 DOLLAR OVER THE CUTOFF.

BUT IT'S SIGNIFICANTLY MORE FOR SOMEONE MAKING PERCENTAGEWISE FOR SOMEONE MAKING LESS.

>> MAYOR LEFFINGWELL: FOR YEAH, BUT IT'S HARDLY ANY REWARD AT ALL FOR.

>> MORRISON: FOR SOMEBODY WORKING A LOT.

>> MAYOR LEFFINGWELL: FOR SOMEBODY THAT'S WORKING HARD AND YOU'RE BASICALLY SAYING WE'RE NOT GIVING YOU A RAISE.

SO THOSE ARE THE TWO SCENARIOS THAT YOU CAN

>> MORRISON: IF I MAY.

>> MAYOR LEFFINGWELL: IT'S PROPOSAL.

>> MORRISON: I'M CONFUSED IT IS MY PROPOSAL AND WHAT IT WAS WAS AN AUGMENTATION OF YOUR PROPOSAL WHERE IS SOMEBODY MADE \$40,000, THEY WERE GETTING ZERO BEYOND THE ONE AND A HALF%.

>> MAYOR LEFFINGWELL: 20,000 BELOW, 3%.

(40,000 BELOW, 3%.

>> MORRISON: AND FOR ME, MY PROPOSAL WAS EVERYBODY GETS 1.5 PERCENT, AND THEN ON TOP OF THAT EVERYBODY GETS \$600.

\$600 BECAUSE FOR A 40,000 A YEAR PERSON, THEY WILL BE GETTING 3%.

THAT WILL EFFECTIVELY BE FOR A \$30,000 A YEAR PERSON, THEY'LL BE GETTING 4.5% OR SOMETHING, A 200,000 PER YEAR THEY'LL BE GETTING 1.5%.

>> MAYOR LEFFINGWELL: SO SOMEBODY WHO MAKES \$100,000 WILL BE GETTING \$600 OR ABOUT HALF A PERCENT.

>> MORRISON: THEY WILL BE GETTING 1.5 PERCENT PLUS THE

>> MAYOR LEFFINGWELL: SORRY.

WITH YOU NOW.

OKAY.

I TAKE IT ALL BACK.

>> MORRISON: ALL RIGHT.

THANK YOU, MAYOR.

PLEASE SPEAK INTO THE MICROPHONE.

>> MAYOR LEFFINGWELL: WE'VE GOT TWO DIFFERENT SCENARIOS, THAT SHOULDN'T BE TOO DIFFICULT TO PREPARE FOR US.

>> RILEY: MAYOR?

>> MAYOR LEFFINGWELL: COUNCILMAN RILEY?

>> RILEY: I WANT TO THANK COUNCILMAN MORRIS FOR THAT PROPOSAL.

THE QUESTION FOR 40,000 SEEMS KIND OF ARBITRARY.

>> MAYOR LEFFINGWELL: IT WAS ARBITRARY.

>> RILEY: SO IS THERE ANOTHER NUMBER THAT WE COULD COME UP WITH SO WE COULD HAVE FIRMER FOOTING?

AND I HEARD ONE SUGGESTION ABOUT LOOKING AT THE AVERAGE SALARY.

I THINK I WOULD BE OPEN TO SUGGESTIONS FROM STAFF BASED ON WHERE THE SALARIES ARE NOW, BUT JUST WANT TO POINT OUT THAT THAT IS SOMETHING THAT OUGHT TO BE ON THE TABLE.

>> MAYOR LEFFINGWELL: I WOULD APPRECIATE SOME ADVICE FROM HR DIRECTOR AS TO, YOU KNOW, WHAT GROUPS WOULD BE AFFECTED AT 40 AND BELOW.

I THINK THAT'S WHAT I STATED AT THE OUTSET.

I DON'T KNOW WHAT THE RIGHT NUMBER ACTUALLY IS.

COUNCILMEMBER MORRISON.

>> MORRISON: AND MAYBE ONE THING TO YOUR POINT COUNCILMAN RILEY, I JUST SAID 40 BECAUSE THAT'S WHAT THE MAYOR SAID.

AND I JUST SAY WHAT THE MAYOR SAYS.

>> MAYOR LEFFINGWELL: SPEAK INTO THE MICROPHONE.

>> MORRISON: ANOTHER WAY TO LOOK AT IT IS A GENERAL COMFORT LEVEL OF THIS EXTRA RAISE ON TOP OF THE 1.5% COSTING THE GENERAL FUND \$2 MILLION, WE COULD BACK IT OUT FROM THERE AND FIGURE OUT WHAT THE TOTAL AMOUNT COULD BE.

DO YOU KNOW WHAT I'M TALKING ABOUT, ED?

>> NO.

>> MAYOR LEFFINGWELL: WHY DON'T WE QUIT WHILE WE'RE AHEAD.

>> MORRISON: WE KNOW IF WE SET IT AT 40,000, WE KNOW IT WOULD COST SYSTEM WIDE 7 MILLION, SO WHAT DO WE HAVE TO SET IT OUT TO HAVE IT BE SYSTEM WIDE EIGHT POINT WHATEVER MILLION WOULD BE?

>> OKAY.

>> MARTINEZ: MAJOR? MAYOR?

>> MARTINEZ: BECAUSE IF YOU AVERAGE ALL ACROSS THE BOARD, IT COULD BE A SKEWED AVERAGE, DEPENDING ON THE HIGH END EMPLOYEES, IT COULD SKEW THE LOWER.

SO WHAT IF WE DO IT AS AN AVERAGE OF THE BOTTOM 50% OF OUR WORKFORCE?

BECAUSE THAT TRULY IMPACTS THOSE WHO ARE MOST NEEDING IT.

IF WE START THROWING IN \$300,250,000 EMPLOYEES, HOW DOES 300,000 AND \$250,000 EMPLOYEES, DOES IT HAVE AN EFFECT ON THOSE LOWER INCOME EMPLOYEES?

I DON'T KNOW THE ANSWER TO THAT.

BUT I KNOW WE COULD CREATE A POLICY CALCULATED ON THE BOTTOM 50% OF ALL CITY EMPLOYEES, OR SOMETHING TO THAT EFFECT.

>> MAJOR?

>> MAYOR LEFFINGWELL: COUNCILMEMBER SPELMAN?

>> SPELMAN: I HAVE A DANGEROUS QUESTION BECAUSE IT WOULD HAVE BEEN MR. WASHINGTON.

I'LL ASK THE QUESTION IN THE HOPES THAT HE CAN HEAR ME.

WE WERE PLAYING LET'S MAKE A DEAL WITH PEOPLE'S SALARIES HERE BUT WE HAVE A LONG RUN POLICY OF PAYING ACCORDING TO MARKET.

AND WE HAVE ALSO PUT INTO THE BUDGET MARKET ANALYSIS FOR SOME NUMBER OF POSITIONS.

I'M WONDERING WHETHER OR NOT THERE'S A CONFLICT BETWEEN THE KIND OF ADJUSTMENTS WE'RE TALKING ABOUT HERE AND OUR LONG RUN POLICY AND WHETHER THERE ARE SOME CASES WHERE WE MIGHT GET SOMEBODY A LARGE INCREASE IF THEY'RE AT THE BOTTOM OF THE SCALE NOW, BUT WOULD ONLY BE NOT IF NOT REVERSED, AT LEAST WELL, REFERSED IN A WAY WHEN WE DO AN ANALYSIS FOR THE SAME POSITION.

I WONDER WHETHER WHERE THE MARKET

>> I'M SORRY, COUNCILMAN SPELMAN, I DIDN'T HEAR ALL OF YOUR QUESTION.

THE IMPACT OF THE MARKET ON SOME KIND OF TWO YEAR PAY INCREASE STRUCTURE SMELL.

>> SPELMAN: WOULD THAT SKEW OUR MARKET BASE SCALES?

>> WELL, I WOULD OUR LAG BEHIND THE MARKET IS AT ALL LEVELS IN THE ORGANIZATION, SO HAVING A MORE AGGRESSIVE SALARY INCREASE PLAN FOR THE LOWER LEVEL POSITIONS WOULD HELP US TO BE MORE COMPETITIVE AT THOSE LEVELS, BUT WE WOULD STILL BE SIGNIFICANTLY LAGGING.

AS A MATTER OF FACT, THERE'S SOME DEPARTMENTS WHERE THE BIGGEST DEFICIT IN THE MARKET IS AT THE MANAGEMENT AND THE PROFESSIONAL, HIGH LEVEL SALARY PAID POSITIONS, PROGRAMMERS, FOR INSTANCE, IN THE IT FIELD, ARE HIGHLY PAID, HIGHLY SKILLED POSITION THAT ARE A SIGNIFICANT LAG IN THE MARKET.

>> SPELMAN: SO THAT'S ACTUALLY SUGGESTING THE PLACES WE'RE LAGGING IN THE MARKET ARE MORE TOWARD THE UPPER END, THE PROFESSIONAL END.

>> I DON'T KNOW THE EXACT INDICATION OF IT, BUT IN GENERAL, IT'S ALL ACROSS THE ORGANIZATION.

SO THERE'S NOT ONE AREA THAT STICKS OUT MORE THAN THE OTHERS AT THIS POINT WITHOUT GOING THROUGH THE DATA.

>> SPELMAN: OKAY.

>> SO THERE'S NO DANGER WITH ANYBODY BEING OVER PAID WITH RESPECT TO THE MARKET RATES?

>> NO, I DON'T THINK THIS IS GO

>> MAYOR LEFFINGWELL: DO YOU THINK YOU FEEL LIKE YOU HAVE SUFFICIENT DIRECTION ON THAT ISSUE TO BE READY FOR SEPTEMBER 9TH?

>> WE HAVE STAFF MEMBERS THAT FROM BOTH OUR OFFICE AND THE BUDGET OFFICE IS WORKING ON IT NOW, AND I THINK THAT GIVES US SUFFICIENT TIME TO COME BACK WITH SOME ALTERNATIVES.

>> MAYOR LEFFINGWELL: AND I WOULD SAY, 40 THOUSAND IS KIND OF AN ARBITRARY NUMBER.

IN ANALYZING THE SALARY STRUCTURE IF YOU THINK THAT BREAK POINT OUGHT TO BE 43 OR SOMETHING LIKE THAT, I THINK THAT WOULD BE SATISFACTORY AS FAR AS I'M CONCERNED.

>> SO IF I MAY GET SOME CLARIFICATION.

>> MAYOR LEFFINGWELL: YOU MAY.

>> WE'VE GOT PEOPLE WORKING ON WHAT WE'VE HEARD HERE, THESE SCENARIOS, MY HOPE IS THAT THEY'RE GOING TO BE ABLE TO COME BACK IN HERE TODAY AND OFFER YOU SOMETHING, SO MY QUESTION IS, IS IT YOUR INTENT TO MAKE SOME SORT OF DECISION IN REGARD TO WAGE TODAY SO THAT WE KNOW WHAT TO INCORPORATE, OR DO YOU PLAN ON

>> MAYOR LEFFINGWELL: WE'RE NOT POSTED FOR ANY ACTION.

>> WELL, CONSENSUS, I GUESS, IS WHAT I SHOULD HAVE USED, BUT I GUESS I'M JUST PUZZLED BY WHAT WE WOULD PRESENT TO YOU ON MONDAY, TUESDAY AND WEDNESDAY.

>> MAYOR LEFFINGWELL: AS I SEE IT

>> LIKEWISE WITH RESPECT TO YOUR CONVERSATION ON VACANCIES, THAT WHOLE CONVERSATION.

I'M NOT QUITE SURE WE KNOW YET WHAT TO BRING BACK, IF IT'S GOING TO START ON MONDAY.

>> MAYOR LEFFINGWELL: WELL, THAT'S WHERE I WAS TRYING TO SETTLE RIGHT NOW, AND I THOUGHT WE JUST DID SETTLE.

WE WERE GOING TO DO TWO SCENARIOS FOR A POTENTIAL WAGE INCREASE.

ONE BEING THE BREAK POINT APPROXIMATELY 40,000, 3% AT THAT OR BELOW 3% AT THAT OR BELOW, AND THEN ONE AND A HALF PERCENT.

AND THEN COUNCILMEMBER MORRISON'S SUGGESTION, THREE% AT THAT SAME BREAK POINT, WHATEVER IT IS, AND THOSE WILL TWO SCENARIOS.

THAT'S ABOUT AS SOLID AS THIS GROUP GETS SOMETIMES, SO...

>> I'M JUST TRYING TO GET

>> MAYOR LEFFINGWELL: YES, GO AHEAD.

>> MORRISON: I WONDER, COUNCILMAN RILEY HAD ASKED THAT WE LOOK AT SORT OF A THIRD OPTION, THAT WAS SORT OF A TAKEOFF OF WHAT I SUGGESTED.

>> RILEY: COUNCILMAN MARTINEZ WAS SUGGESTING ALSO SOMETHING A LITTLE LESS ARBITRARY AND HE WAS SUGGESTING THAT WE TAKE THE AVERAGE OF THE BOTTOM HALF OF THE CITY'S WORKFORCE.

THAT CAN BE ONE APPROACH.

ANOTHER APPROACH COULD BE LOOKING TO THE MEDIAN OF PAY, WHICH WOULD PROBABLY BE SOMEWHAT HIGHER THAN THE AVERAGE OF THE BOTTOM HALF.

BUT HERE AGAIN, WE'RE JUST LOOKING AT THAT BREAK POINT.

THE CALCULATION IS STILL THE SAME.

THE 3% UP TO THAT POINT AND THEN 1.5 PLUS A FLAT AMOUNT THAT IS EQUAL TO THAT THAT 1.5 AT THAT BREAK POINT.

>> MAYOR LEFFINGWELL: OKAY.

SO THE ONLY OUTSTANDING ISSUE THAT WE HAVE, AND I THINK YOU HAVE SOME IDEA OF WHAT COUNCILMEMBERS MARTINEZ AND RILEY ARE DRIVING ABOUT, ED, AT ABOUT HOW TO DETERMINE THE BREAK POINT.

>> MAJOR?

>> MAYOR LEFFINGWELL: IN THERE, THE TWO SCENARIOS, ONE IS WITHOUT THE ADDITIONAL 600 ABOVE THE BREAK POINT.

>> COLE: MAYOR, BOTH YOU AND COUNCILMEMBER MORRISON'S PROPOSALS GOING TO BE SYSTEM WIDE PROPOSALS OR ONLY FOR THE GENERAL FUND?

>> MAYOR LEFFINGWELL: I WOULD ASSUME THEY WOULD BE FOR ALL NONCONTRACT EMPLOYEES.

BUT THEY WOULD ONLY ONLY THE GENERAL FUND NONCONTRACT AFFECTS THE PROPERTY TAX RATE.

AND THE OTHER ISSUE, NOW THAT THAT PROBLEM'S ALL SOLVED, THE OTHER ISSUE IS HOW ARE WE GOING WHAT VARIOUS PROPOSALS ARE WE GOING TO SEE ON THE MORNING OF SEPTEMBER 9TH WITH REGARD TO VACANCY SAVINGS?

ARE WE GOING TO SEE A STRAIGHT 1% OR ARE WE GOING TO SEE I THINK COUNCILMEMBER MARTINEZ PROPOSED AN AMOUNT OF DOLLARS.

AND OBVIOUSLY, IF THAT'S ONE OF THE CONSIDERATIONS, I'D WANT TO HAVE SOME WE'D WANT TO HAVE SOME INSIGHT INTO THE IMPACT OF AN AMOUNT THAT'S FAIR ENOUGH SUMMARY FOR EVERYBODY?

COUNCILMEMBER TOVO, IS THAT FAIR ENOUGH FOR YOU.

>> YEAH, I DON'T WANT TO NECESSARILY WEIGH IN ON THE VACANCY PROPOSAL AND WHAT THAT MIGHT LOOK LIKE, BUT JUST A GLOBAL POINT, SOME QUESTIONS ON FRIDAYS THAT ARE GOING TO INFORM PROPOSALS THAT MIGHT COME FORWARD ON MONDAY, SO I IMAGINE AND I WANTED TO KIND OF GET A GENERAL SENSE FROM MY COLLEAGUES, I THINK WE'RE TRYING TO HAVE AS MUCH CERTAINTY AS WE CAN RIGHT NOW FOR NEXT WEEK, BUT MY GUESS IS THAT THERE STILL WILL BE SOME FLUX ON MONDAY, AND THAT'S ONE OF THE REASONS WHY WE'VE GOT THREE DAYS.

>> MAYOR LEFFINGWELL: I HAVE NO DOUBT THERE WILL BE SOME FLUX ON MONDAY.

>> TOVO: NO, I APPRECIATE IT.

I THINK IT'S IMPORTANT TO GET CLARITY WHERE WE CAN.

>> MAYOR LEFFINGWELL: THIS IS JUST TO GIVE THE STAFF SOME IDEA OF WHAT BACKUP INFORMATION TO COME UP WITH.

>> TOVO: I GUESS I AM I'D BE INTERESTING IN SEEING A COUPLE DIFFERENT SCENARIOS ABOUT WHAT IT WOULD BE LIKE IF THAT VACANCY RATE WERE AT 3%, 4%, WITH WHATEVER CAUTION THE CITY MANAGER AND OTHERS MIGHT WANT TO OFFER, BUT I THINK IT WOULD BE INTERESTING TO SEE THOSE NUMBERS.

SO THEY WERE MORE IN LINE WITH WHAT COUNCILMEMBER MARTINEZ PROPOSED.

>> MAYOR LEFFINGWELL: COUNCILMEMBER MARTINEZ?

>> MARTINEZ: ACTUALLY, IT'S SLIGHTLY DIFFERENT, BECAUSE I WAS LOOKING AT SPECIFIC POSITIONS.

TO ME, MANAGING VACANCY SAVINGS, AGAIN, I WANT IMPROVED MANAGEMENT OF VACANCY, AND I WANT A TRUER PICTURE OF THOSE VACANCY SAVINGS BASED ON HOW LONG IT TAKES TO FILL.

BUT MANAGER AT A PERCENTAGE BASIS TO ME IS SIMILAR TO AN ACROSS THE BOARD CUT, BECAUSE I SEE GREATER NEED FOR FILLING FTES IN AREAS AND LIBRARY THAN I DO IN OTHER AREAS OF OUR DEPARTMENT.

SO IF WE'RE GOING TO SAY OUR EXPECTATION IS TO MANAGE AT A BETTER PERCENTAGE RATE, THAT WE ONLY HAVE 7% VACANCIES CITY WIDE, IT'S TANTAMOUNT TO A CUT.

WE'RE TELLING PARD YOU'RE GOING TO HAVE TO MANAGE THOSE VACANCY SAVINGS BETTER, WHERE PARD MIGHT BE ABLE TO GO OUT AND HIRE 20FTES TOMORROW TO TAKE CARE OF THE CEMETERIES AND THEY NEED TO DO THAT.

THAT'S NOT CREATING ANY VACANCY SAVINGS, BECAUSE THEY'RE HIRING THEM TOMORROW.

>> MAYOR LEFFINGWELL: WELL, LET ME JUST SAY WHEN I ORIGINALLY PROPOSED THIS, IT'S BEEN A WHILE NOW.

I'D SUGGESTED THAT THE CITY MANAGER HAVE FLEXIBILITY BETWEEN DEPARTMENTS TO MEET THE CONCERN THAT YOU JUST ADDRESSED.

AND I'LL STAND BY THAT.

BUT FOR PURPOSES OF CALCULATING AN OVERALL REDUCTION EXPENDITURES, THAT'S THE FORMULA.

ONCE THAT GOAL IS ACHIEVED, THEN YOU CAN TRANSFER VACANCY SAVINGS BETWEEN DEPARTMENTS WOULD BE MY CONCEPT OF HOW IT WORKS.

FOR THE VERY REASON YOU MENTION, YOU MIGHT NOT WANT TO ACHIEVE THOSE IN PARKS, BUT YOU MIGHT WANT TO ACHIEVE IT SOMEWHERE ELSE THAT I WON'T MENTION.

>> ADDITIONAL PERCENTAGE TAKE IT TO 2.6, THE ADDITIONAL 1 PERCENT, WHILE WE'RE ASKING ALL THE DEPARTMENTS TO LOOK AT THAT, THERE'S ALSO THE AGGREGATE PERSPECTIVE TO THAT AS WELL.

SO, YOU KNOW, IN THE COURSE OF THAT, WE'RE GOING TO PAY ATTENTION TO NEED WHILE WE'RE MANAGING TO A NUMBER ACROSS THE ORGANIZATION AS WELL.

>> MAJOR?

>> MAYOR LEFFINGWELL: COUNCILMEMBER TOVO?

>> TOVO: IN LIGHT OF COUNCILMEMBER MARTINEZ'S SUGGESTION, I MIGHT TAKE BACK WHAT I SAID ABOUT WANTING TO SEE THREE OR FOUR.

COUNCILMEMBER MARTINEZ, YOU MAY WANT TIME TO REFLECT ON IT, BUT ARE YOU PREPARED TO MOVE FORWARD NEXT WEEK ON FREEZING THE VACANCIES ALREADY IDENTIFIED IN QUESTION 106?

>> ACTUALLY THE REVISION TO QUESTION 106 AND QUESTION 111 THAT I FOR SOME REASON DON'T HAVE QUESTION 111 IN MY Q AND A FOLDER.

IF I DO HAVE IT, I DON'T KNOW WHERE IT IS.

>> TOVO: I DON'T HAVE IT EITHER, ACTUALLY.

>> MARTINEZ: THAT BREAKS DOWN DETAIL OF YOUR QUESTION, COUNCILMEMBER SPELMAN, WHAT POSITION, WHAT DEPARTMENT, WHAT TITLE.

>> TOVO: I HAVE THE SAME NOW THAT YOU'VE RAISED THEM, I HAVE THE SAME CONCERNS, TOO.

I DON'T WANT TO SEE THAT VACANCY RATE PERCENTAGE GO BE APPLIED ACROSS THE DEPARTMENT FOR THE I AGREE WITH YOU.

I'M NOT SURE WHAT THE RESOLUTION IS, BUT I WOULD LIKE TO DO SOME MORE CAREFUL THINKING ON THAT AND PERHAPS LOOKING AT THE LIST.

>> I DON'T HAVE 11 EITHER, I WONDER IF MAYBE IT HASN'T BEEN POSTED YET.

>> IT WAS POSTED OVER THE WEEKEND, I BELIEVE ON SUNDAY, BUT IT'S UP THERE NOW.

>> MAYOR LEFFINGWELL: MAYOR PRO TEM, I WASN'T READING BUDGET QUESTIONS.

>> COLE: ED, IN THE INTEREST OF CUTTING DOWN ON YOUR WORK, I THINK THE INFORMATION THAT THE MAYOR HAS DESCRIBED ON EMPLOYEE RAISES WILL BE SUFFICIENT FOR ME TO MAKE A DECISION AND I DON'T NEED THE ANALYSIS WITH THE SERVICE INCENTIVE PAY.

>> AND I WOULD SUGGEST TO COUNCIL THAT ONE WAY TO LOOK AT THIS VACANCY SAVINGS THAT MIGHT STILL BE RESPONSIVE TO THE CONCERNS YOU'RE YOU'RE RAISING IS WE'VE PUT NUMBERS UP ON WHAT A 1 PERCENT VACANCY WOULD LOOK LIKE, WE CAN DO THE SAME THING FOR THE ENTERPRISE DEPARTMENT AND THEN THE COUNCIL COULD CERTAINLY INFORM US THAT, YOU KNOW, YOU DON'T WANT THE 1 PERCENT ADDITIONAL VACANCY SAVINGS TO APPLY TO ALL DEPARTMENTS AND THAT YOU WOULD EXCLUDE CERTAIN DEPARTMENTS BASED UPON NEED FROM THAT REQUIREMENT, WHETHER IT WAS PARKS AND LIBRARIES.

I THINK THE PARKS NAMELY THAT WE BROUGHT FORWARD AS PART OF THAT 1.5 MILLION WAS ROUGHLY \$300,000, SO WE COULD JUST MAKE THAT DETERMINATION, YOU COULD MAKE THAT DETERMINATION AND DIRECTION THAT WE LIKE THIS ADDITIONAL VACANCY SAVINGS, BUT WE DON'T FEEL THAT WE CAN DO THAT IN PARKS, THERE'S TOO MANY NEEDS IN PARKS.

BUT AGAIN IN FOR THE OTHER DEPARTMENTS, THEY WOULD HAVE THE DISCRETION TO MANAGE THAT WITHIN THE DEPARTMENTS AND THE MANAGER WOULD HAVE THE DISCRETION TO MANAGE THAT ACROSS DEPARTMENTS.

>> MAYOR.

>> MAYOR LEFFINGWELL: I THINK THE STARTING PLACE IS STILL THE SAME.

THE STARTING PLACE IS STILL THE SAME GIVEN THE MANAGER OF THE FLEXIBILITY TO MANAGE THE VACANCY SAVINGS, BUT HAVING THAT ON THE TABLE, THEN OBVIOUSLY SOMEBODY COULD SAY, BUT I DON'T WANT THESE VACANCY SAVINGS TO BE IN PARKS.

THEORETICALLY THEY WOULD SAY THAT.

OR ALTERNATIVE, IT'S NOT ON YOUR LIST HERE, BUT I KNOW THERE THERE'S A PROPOSAL OUT THERE TO INCREASE FUNDING FOR PARKS.

THAT WOULD PROBABLY TAKE CARE OF THAT, SO...

>> MAYOR?

>> MAYOR LEFFINGWELL: MAYOR PRO TEM.

>> COLE: I WOULD LIKE TO REITERATE THE INCENTIVE THAT I WILL BE SUPPORTIVE OF SOME OF THE IDEAS THAT HAVE BEEN PUT ON THE TABLE FOR INCREASED FUNDING FOR PARKS.

>> MAYOR LEFFINGWELL: AND I FEEL THE SAME WAY.

AFTER WE'VE MAINTAINED THE NOMINAL RATE.

COUNCILMAN MORRISON.

>> MORRISON: THERE'S SOMETHING THAT I'M NOT QUITE UNDERSTANDING, AND, ED, YOU SAID THAT I WANT TO MAKE SURE I UNDERSTAND THE 1.6 ON THE EXTRA 1 PERCENT.

YOU SAID THAT GENERALLY WE USE 1.6 IF WE ASSUME THAT WE'RE GOING TO HAVE A VACANCY SAVINGS OF 1.6 AND POSSIBLY RAISE THAT A POINT TO 2.6, THAT FREES UP \$1 MILLION IN THE GENERAL FUND.

AND ON THE OTHER HAND, I'M HEARING COUNCILMEMBER MARTINEZ SAY, HEY, LET'S JUST ASSUME THAT THE VACANCIES FOR NEXT YEAR ARE THE VACANCIES THAT EXIST RIGHT NOW, IF I UNDERSTAND PROPERLY, AND THAT WOULD AND THAT WOULD ACTUALLY EQUATE TO 4 MILLION.

DID I HEAR

>> THAT'S NOT JUST GENERAL FUND.

THAT'S THE DIFFERENCE.

>> MORRISON: IS THAT THE DIFFERENCE?

SO WE'RE REALLY TALKING ABOUT THE SAME THING, EXCEPT FOR, AS I UNDERSTAND THIS, THE VACANCIES ARE A LOT HIGHER THAN 2.6 RIGHT NOW, SO THERE WILL BE SOME DIFFERENCE IN THOSE NUMBERS.

>> IF THEY PLAN TO HIRE SOME OF THOSE POSITIONS? THEY'RE NOT GOING TO

>> MORRISON: I'M JUST TRYING TO UNDERSTAND WHERE WE GOT THE FOUR EXACTLY.

>> WE'RE GETTING IT BROUGHT DOWN TO US RIGHT NOW.

THE 74 ARE GENERAL FUND.

>> MORRISON: THEY'RE NOT BEING RECRUITED, THEY'RE NOT POSTED, THEY'RE JUST SITTING THERE.

>> MARTINEZ: THE ONES THAT SAY NOT POSTED AT THIS TIME, STILL NOT POSTED, SORRY.

>> AND WE DID RUN THE NUMBERS FOR THE PRESENTATION I MADE WAS FOCUSED ON THE GENERAL FUND.

BUT CITY WIDE, INCLUDING OUR ENTERPRISE DEPARTMENT, THE ADDITIONAL VACANCY SAVINGS BY INCREASING IT BY ONE PERCENTAGE POINT IS \$6.2 MILLION.

>> MORRISON: OKAY. AND IF WE'RE TALKING ABOUT 12,000 EMPLOYEES, 1% IS 120 AS OPPOSED TO THE 74 THAT HE'S TALKING ABOUT, SO YOUR NUMBERS ARE ACTUALLY GOING TO COME UP A LITTLE HIGHER THAN THE ESTIMATE.

>> YEAH, AND THEY ARE.

6.2 MILLION.

>> MORRISON: OKAY.

GOT IT.

JUST WANTED TO MAKE SURE I UNDERSTOOD THAT.

>> THAT'S CITY WIDE.

>> IT'S 2 MILLION CITY WIDE.

>> MORRISON: AS OPPOSED TO HIS 4 MILLION WHICH IS 474.

>> ALL DEPARTMENT, YOU DON'T HAVE PUBLIC SAFETY DEPARTMENTS INCLUDED IN THIS LIST HERE.

JUST SUPPORT SERVICES AND NONPUBLIC SAFETY GENERAL FUND.

>> THE 6.2 MILLION DOES NOT INCLUDE SUPPORT SERVICES.

I'M SORRY, DOES NOT INCLUDE PUBLIC SAFETY.

>> SPELMAN: OKAY.

GOT IT.

>> MAYOR LEFFINGWELL: OKAY ON THOSE TWO SUBJECTS?

THIS WILL BE REAL QUICK.

I WANT TO ASK I GUESS IT WILL BE CHIEF MCDONALD, THAT'S WHO I SEE IN THE ROOM, ABOUT THIS REDUCE APD OVERTIME, REDUCTION OF HALF A MILLION DOLLARS.

AND SO HOW IS THIS NOT A PUBLIC SAFETY DEPARTMENT CUT?

>> WELL

>> MAYOR LEFFINGWELL: OR IS IT?

>> IT'S AN IMPACT.

THAT'S THE BEST WAY FOR ME TO DESCRIBE IT.

ANYTHING THAT WE BRING FORWARD AT THIS POINT ALONG THOSE LINES IS AN IMPACT, BUT IT'S A WAY TO ACHIEVE SOME SAVINGS.

THE OPTIMAL POSITION FOR THE POLICE DEPARTMENT TO HAVE BEEN IN TO COVER THE TRAILS WOULD BE THE OVERTIME THAT WAS REQUESTED, BUT WHAT WE'RE PROPOSING HERE IS THAT THAT OVERTIME WOULD BE CUT IN HALF, IT WOULD GIVE THE CHIEF SOME OPPORTUNITY DURING THE YEAR.

HE WOULD STILL HAVE TO EITHER DIVERT CURRENT RESOURCES TO ASSIST WITH THE TRAILS, AND THEN ONCE THE 47 ARE ON, PERMANENTLY MOVING FORWARD.

>> THAT WILL BE IN 2015.

>> 2014, ACTUALLY.

>> MAYOR LEFFINGWELL: THAT'S WHEN THE CLASS STARTS.

>> THE CLASS THAT ACTUALLY STARTED 2014, THE CLASS IS ABOUT EIGHT MONTHS LONG.

>> MAYOR LEFFINGWELL: BUT IT WOULD NOT BE IN FY '14 THAT YOU COULD DERIVE ANY ADVANTAGE FOR THAT UNLESS YOU CAN TELL ME SOMETHING I DON'T KNOW.

>> YEAH.

WELL, THE OFFICERS THE OFFICERS WOULD START MY UNDERSTANDING THEY WOULD START THE CLASS IN APRIL 2014, THE ACADEMY IS ABOUT AN EIGHT MONTH ACADEMY.

THERE IS A PERIOD OF TIME WHERE THEY ARE RIDING WITH ANOTHER OFFICER, BUT NEVERTHELESS, THEY ARE ON THE STREET.

>> MAYOR LEFFINGWELL: BUT WOULDN'T APRIL '14 PLUS 7 MONTHS PUT YOU IN 2014, 2015.

>> YES.

>> MAYOR LEFFINGWELL: SO YOU COULDN'T COUNT ON SAVINGS FOR THAT IN THIS BUDGET.

THIS WOULD BE A REDUCTION IN OVERTIME.

WHAT I THOUGHT I HEARD YOU SAY, ALTHOUGH IT'S BUDGETED FOR THE ENTIRE YEAR, A LITTLE OVER A MILLION DOLLARS, THE PILOT DOESN'T RUN THAT LONG.

SO IF YOU FOUND OUT THAT YOU COULD NOT PROVIDE THE MINIMUM LEVEL OF PUBLIC SAFETY ON THE TRAIL, YOU COULD POTENTIALLY TERMINATE THE PILOT AND NOT DO IT FOR THE REST OF THE YEAR.

I MEAN, AT THE END OF THE PILOT, YOU'VE GOT TO DO SOMETHING, RIGHT?

THERE HAS TO BE A COUNCIL VOTE TO CONTINUE THE PILOT

>> THAT'S CORRECT.

>> MAYOR LEFFINGWELL: OR TO MAKE IT A PERMANENT THING.

SO THERE IS THAT FLEXIBILITY.

>> THAT'S CORRECT.

>> MAYOR LEFFINGWELL: YOU'RE ACTUALLY ONLY FUNDING IT FOR PART OF THE YEAR POTENTIALLY.

BUT OTHERWISE, IF THIS WERE A FULL YEAR PROJECT, I MEAN, THAT WOULD BE JUST A FLAT OUT HALF A MILLION DOLLAR CUT IN POLICE OVERTIME, OR, YOU KNOW, YOU'RE SAYING WE'RE NOT GOING TO PROVIDE THE LEVEL OF SECURITY THAT'S BEEN RECOMMENDED BY APD.

>> WELL, THE OVERTIME THAT'S REQUESTED, IT'S ADDITIONAL OVERTIME FOR THE TRAIL, ABOVE THE OVERTIME THAT THEY HAD BEEN RECEIVING.

SO AND I HOPE I'M ANSWERING YOUR QUESTION, BECAUSE WHAT THEY'RE WANTING TO DO WITH THAT OVERTIME, OF COURSE, IS TO COVER THE TRAILS.

WHAT WE'RE PROPOSING IS TO CUT THAT IN HALF, AND IF YOU DID, THEY WOULD HAVE TO DIVERT RESOURCES FROM OTHER AREAS TO HELP COVER THE TRAIL, ALONG WITH SOME OF THE OVERTIME THAT'S REMAINED

>> MAYOR LEFFINGWELL: IN IF THE PROGRAM CONTINUES.

>> THAT'S CORRECT.

>> MAYOR LEFFINGWELL: SO DO WE HAVE ANY DATA WE TALKED ALL THROUGHOUT THIS PROCESS ABOUT DOING SURVEYS TO FIND OUT HOW MANY HOW MUCH USE I MEAN, ONE OF THE PURPOSES OF THE PILOT WAS TO FIND OUT HOW MUCH USE IT'S GOING TO GET.

HAVE WE DONE THAT?

>> THERE'S BEEN SOME WORK.

I BELIEVE I HAVE THE CHIEF HERE WHO CAN KIND OF GIVE YOU THE

>> AS THE CHIEF COMES UP ON THIS TOPIC, I WOULD JUST LIKE TO POINT OUT THAT DIVERTING SERVICES TO THE TRAILS IS WHAT WE DO ALL THE TIME BEFORE WE EVEN ENACTED THIS PILOT PROGRAM.

AND DURING THE DAY, WE DON'T HAVE DEDICATED FUNDING FOR PATROLLED SERVICES WHEN THERE'S THOUSANDS OF MORE PEOPLE USING THE TRAIL.

WE RESPOND AS EMERGENCIES ARISE.

SO I APPRECIATE APD'S AND STAFF'S WILLINGNESS TO REDUCE THIS IN HALF TO HELP CREATE SOME SAVINGS, BUT I JUST WANT I WANT US TO BE MINDFUL OF WHAT WE CURRENTLY DO ON A 24 HOUR BASIS.

BEFORE WE EVEN ADOPTED THIS PILOT PROGRAM WAS ANY TIME OF DAY THERE WAS A NEED, JUST LIKE ANYWHERE ELSE IN THE CITY, YOU DIAL 9 1 1 AND WE GET THERE AS FAST AS WE CAN AND MITIGATE AS BEST WE CAN.

>> MAYOR LEFFINGWELL: I'LL JUST SAY I DISAGREE WITH THAT.

WE'VE HAD THIS ARGUMENT SEVERAL TIMES.

IT IS EXTENDING THE HOURS OF COVERAGE, AND THAT'S WHERE THE INCREASE COST COMES IN.

BUT I'M YOU KNOW, WE'VE HAD CHIEF, GO AHEAD AND ANSWER.

>> THANK YOU, MAYOR AND COUNCIL.

WE HAVE DEDICATED PARK PATROL UNIT THAT ACTUALLY PATROLS THE PARKS WITH HORSEBACK, ON BICYCLE AND SOMETIMES ON FOOT.

AND SOMETIMES WE EVEN USE THE THOSE QUAD, WE HAVE QUADS FOR THAT UNIT.

AND THEY ACTUALLY DO PROACTIVE, THAT IS THERE JOB, THAT IS THEIR ASSIGNMENT.

I DON'T RECALL OFF THE TOP OF MY HEAD WHAT THE SIZE OF THAT UNIT IS, BUT WE HAVE INCREASED IT OVER THE LAST FEW YEARS WHEN WE TOOK OVER THE PARKS.

WHAT OCCURRED IS THAT THE PARK PATROL STAFFING ONLY HAD ENOUGH STAFFING TO REALLY WORK UNTIL MIDNIGHT, AND ANY TIME AFTER MIDNIGHT, THAT'S WHEN WE BECOME CALL DRIVEN, WHERE WE RESPOND BASED ON CALLS FOR SERVICE.

SO THE EXISTING RESOURCES PRIOR TO THE TO THE, YOU KNOW, PILOT PROJECT HAD STAFFING FROM NOT 24 HOURS, ONLY UNTIL MIDNIGHT.

AND AT MIDNIGHT, WE CEASE THE WHAT WE CALL THE PROACTIVE PATROL IN THE PARKS.

>> ARE YOU TALK ABOUT THE PILOT NUMBERS.

>> WE HAVE BEEN TRACKING IT.

THERE'S A METER, THERE'S A MARKER METER THAT ACTUALLY TAKES THE COUNT.

AND OUR OFFICERS THAT HAVE BEEN ASSIGNED TO THIS, WE'RE COUNTING ABOUT 10 CYCLISTS A NIGHT IN TERMS OF THE CYCLING COMMUNITY IS WHAT I WAS GIVEN FOR THE AVERAGE.

SO WE'RE SPENDING.

>> MAYOR LEFFINGWELL: WE'RE SPENDING IN THE BUDGET ANY WAY FOR 10 CYCLISTS A NIGHT.

>> THAT'S WHAT WE'VE BEEN COUNTING SO FAR.

CHIEF DO, YOU HAVE THE NUMBERS WITH YOU?

>> THERE'S ABOUT 10 CYCLISTS WE'RE ENCOUNTERING EACH NIGHT ON THE TRAIL, ON THE THREE IDENTIFIED TRAILS.

AND DURING THE FOUR MONTH PERIOD WE WERE COLLECTING THE DATA, WE ISSUED CITATIONS FOR CURFEW VIOLATIONS AND EGGER, THE PARKS ARE OPEN FOR THE CYCLISTS THAT ARE USING IT, BUT THERE.

>> I'D LIKE TO DIG INTO THE NUMBERS A LITTLE BIT AND TALK ABOUT THE CITATION AND SEE IF THEY'RE MORE OR LESS ABOUT THAN THEY WERE ABOUT THE CURFEW, EXCEPT TO SAY I WOULD SUPPORT FROM REMOVING THE MILLION .5 FROM THE PROPOSED BUDGET AND WE CAN SCHEDULE TIME TO TALK ABOUT OURSELF AT A WORK SESSION AS TO WHETHER OR NOT WE SHOULD CONTINUE THE PILOT PROGRAM WITHOUT THAT DEDICATED POLICE PATROL.

BUT I WOULD SUPPORT REMOVING IT ENTIRELY AT THIS POINT.

>> MAYOR LEFFINGWELL: ON THE PILOT.

>> TOVO: NO, I WOULD SUPPORT REMOVING THE TRENDING OF THIS DESIGNATED POLICE SUPPORT AND TABLING THE DISCUSSION ON WHETHER IT'S APPROPRIATE TO CONTINUE THE PILOT WITHOUT THAT POLICE POLICING.

>> MAYOR LEFFINGWELL: IN THE MEANTIME, YOU WOULD KEEP IT OPEN WITHOUT THE

>> TOVO: WE PROBABLY COULD HAVE THAT DISCUSSION AMONGST OURSELVES HERE IN THE NEXT WEEK OR TWO.

HOW LONG IS THE I MEAN, THE FUNDING GOES THROUGH, WHAT, THE END OF THE MONTH, RIGHT?

>> MAYOR LEFFINGWELL: IT'S LONGER THAN THAT.

IT GOES ABOUT HALFWAY THROUGH THE YEAR.

>> YEAH, END OF THE YEAR.

>> TOVO: WE WOULD HAVE TIME I THINK AT OUR NEXT

>> MAYOR LEFFINGWELL: ASSUMING THAT IT'S THE WHOLE YEAR, BUT THE ACTUAL COST OF THE PILOT PORTION IS WHAT, ABOUT HALF THAT?

>> YES, I BELIEVE THE PILOT RUNS TO THE END OF THE YEAR.

>> MAYOR LEFFINGWELL: DECEMBER 31.

>> CORRECT.

AND WHAT WE'RE PROPOSING IN THE BUDGET FOR THE MILLION WAS ANTICIPATING THAT WE WOULD WANT COUNCIL WOULD WANT TO MOVE FORWARD WITH HAVING LEAVING THE TRAILS OPEN, SO THAT'S WHY THAT WAS IN THERE.

>> MAYOR LEFFINGWELL: I WOULD CERTAINLY NOT SUPPORT LEAVING THEM OPEN WITHOUT ANY FUNDING.

>> TOVO: I KNOW.

AND WE HAD A VERY VIGOROUS DISCUSSION ABOUT THAT, AND NOW WE HAVE SOME MORE DATA TO WORK WITH.

I JUST THINK THAT DESERVED ITS OWN DISCUSSION.

>> SPELMAN: MAYOR?

>> MAYOR LEFFINGWELL: COUNCILMEMBER SPELMAN?

>> SPELMAN: DO WE KNOW WHAT THE VIOLATIONS ISSUED IN THE PARK AFTER HOURS BEFORE?

>> BEFORE WE STARTED TRACKING IT.

>> SPELMAN: NO, AFTER WE STARTED TRACKING IT.

>> WHAT THEY WERE FOR?

I BELIEVE A LOT OF THEM WERE CURFEW VIOLATIONS.

SOME OF THEM WERE CAMPING, AND WE ACTUALLY DO HAVE THAT INFORMATION, WE CAN GET YOU THE DATA.

>> SPELMAN: IF YOU COULD, THAT WOULD BE GREAT.

>> MAYOR LEFFINGWELL: ANY OTHER TOPICS.

Q. BEFORE WE LEAVE THIS.

>> BEFORE WE LEAVE THAT TOPIC, I AGREE WITH COUNCILMEMBER TOVO THAT WE WOULD HAVE TO LOOK AT THAT.

I HAVE NOT SEEN THE JUSTIFICATION BASED ON THE EVIDENCE THAT WE'VE SEEN SO FAR FROM THE PILOT THAT THERE IS A PUBLIC SAFETY NEED FOR SPENDING THAT KIND OF MONEY TO PATROL THE TRAILS.

WE HAD PEOPLE USING THE SOME NUMBER OF PEOPLE USING THE TRAILS BEFORE, WE DO AFTERWARDS, THE ONLY DIFFERENCE IS NOW WE'RE SPENDING A MILLION DOLLARS TO BE OUT THERE, AND I DON'T SEE THAT WE'VE JUSTIFIED THAT BASED ON THE EVIDENCE BEFORE US.

>> MAYOR LEFFINGWELL: COUNCILMEMBER MORRISON?

>> MORRISON: I HAVE A COUPLE OF QUESTIONS ABOUT THE PRESENTATION, I HOPE WE CAN IF I CAN JUST MOVE ON TO THOSE.

>> MAYOR LEFFINGWELL: CITY MANAGER, WILL YOU

>> JUST ON THAT PARTICULAR POINT, AGAIN, I'M THINKING ABOUT NEXT WEEK AND THE KINDS OF SCENARIOS THAT COUNCIL MAY WANT TO SEE.

>> MAYOR LEFFINGWELL: I WOULD AGREE WITH COUNCILMEMBER RILEY AS WELL.

>> MORRISON: AS WOULD I.

>> ONE SCENARIO THEY I'M HEARING IS THE ELIMINATION OF IT ENTIRELY, THE SCENARIO THAT'S LISTED IN HERE, THAT'S A SCENARIO THAT WE CAN ALSO WRITE UP.

AND WE CAN ALSO WRITE UP ONE THAT ENTAILS THE ORIGINAL FUNDING IN THE PROPOSED BUDGET AND THEN YOU ALL WOULD DECIDE.

SO UNLESS I HEAR OTHERWISE IN TERMS OF THOSE SCENARIO, THAT'S WHAT WE'LL PREPARE AND YOU ALL WILL DECIDE.

IS THAT ACCURATE?

OKAY.

>> MAYOR LEFFINGWELL: COUNCILMEMBER MORRISON.

>> MORRISON: I'M JUST LOOKING AT SLIDE NUMBER 13 AND THERE'S A COUPLE OF QUESTIONS I HAVE ON A COUPLE OF ITEMS.

UNDER THE EXPENDITURE OPTIONS, I'M CURIOUS ABOUT THE ECONOMIC DEVELOPMENT PROGRAM THAT THE GENERAL FUND TRANSFERS \$333,000 INTO.

WHAT IS THAT PROGRAM?

>> IT WAS REALLY ESTABLISHED, I THINK, THREE YEARS AGO.

IT WAS ESTABLISHED FROM THE DYE AND, DISA, IT WAS THE IDEA WAS TO HAVE A MILLION DOLLARS A YEAR OVER AND ABOVE WHAT'S NEEDED TO BE SET ASIDE FOR THE 380 AGREEMENTS.

>> SPELMAN: RIGHT.

>> THIS WAS FUNDING OVER AND ABOVE THAT AMOUNT TO ESTABLISH A POOL OF FUNDS TO BE ABLE TO PROACTIVELY ADDRESS SMALLER THINGS.

>> MORRISON: I'M CURIOUS.

I DON'T REMEMBER THAT, BUT I'M CURIOUS ABOUT WHAT WE'VE USED THAT FOR.

>> ASSISTANT CITY MANAGER, COUNCILMEMBER, IF YOU YOU MAY RECALL THAT WE HAVE A NUMBER OF SMALL COMPANIES AND SOME, LIKE INCENTIVES FOR FILM OR INCENTIVES FOR OTHER VERY SMALL COMPANIES THAT DO NOT PRODUCE PROPERTY OR SALES TAX.

AND WE WERE NOT ABLE TO PROVIDE THEM ANY INCENTIVES AT ALL, BECAUSE IT WAS SUCH A MINIMAL AMOUNT OF PROPERTY OR SALES TAX.

SO YOU AS A COUNCIL BODY, YOU CREATED ANOTHER FUND THAT WOULD PROVIDE FOR US TO BE ABLE TO INSURE THOSE INDIVIDUAL COMPANIES THAT ARE VERY MUCH SMALLER, BUT THAT WE WANT TO SEE.

WE HAVE SMALL TECH COMPANY, WE HAVE SMALL FILM INDUSTRY, WE HAD A GOOD EXAMPLE WAS FRIDAY NIGHT LIGHTS, SO THERE ARE VERY SMALL ONES THAT DON'T REALLY PRODUCE LIKE THE CHECKER 380 DOES.

>> MORRISON: I SEE.

SO DO THOSE COME TO THE COUNCIL?

>> YES, THEY ALL COME TO THE COUNCIL.

>> MORRISON: OKAY.

>> YOU HAVE APPROVED EVERY ONE OF THEM.

>> MORRISON: ALL RIGHT.

AND THEN SO ONE OF THE OTHER I JUST WANT TO SHARE A THOUGHT HERE, ONE OF THE OTHER WELL, A QUESTION.

THE ECONOMIC INCENTIVES FUND THAT WE USE TO PAY THE 380 AGREEMENTS, IT'S MY UNDERSTANDING THAT THE BUDGET MAKE SURE I UNDERSTAND THIS RIGHT THAT THAT THAT WE'RE TRANSFERRING 16 SOMETHING, \$17 MILLION FROM THE GENERAL FUND, THAT'S BASICALLY FUNDED BY THE GENERAL FUND; IS THAT CORRECT?

>> YES, IT IS.

>> MORRISON: OKAY.

BECAUSE THAT'S WHERE THE PROPERTY PRESUMABLY THAT'S WHERE THE PROPERTY TAXES AND THE SALES TAX THAT WERE BENEFITING FROM AND ONE OF THE BENEFIT.

SO AS I LOOK AT THE YOU KNOW T PROPOSED CHANGES TO THE TO REVERSE THE GENERAL TRANSFER TO ECONOMIC DEVELOPMENT DEPARTMENT, THAT'S 1.2 MILLION, AS WELL AS THIS OTHER ONE WE JUST TALKED ABOUT THE ECONOMIC DEVELOPMENT PROGRAM, SO 333, THE FACT THAT THE GENERAL FUND IS ALREADY FUNDING THE 380 AGREEMENT, BASICALLY, TO ME IT MAKES SENSE, CONCEPTUALLY, TO GO AHEAD AND PULL BACK TON THE GENERAL FUND BACK ON THE GENERAL FUND FUNDING THESE OTHER TWO ITEMS THAT GO TOWARD ECONOMIC DEVELOPMENT, SO I JUST WANTED TO SHARE THAT BECAUSE TO SAY THAT I SUPPORT THOSE TWO THINGS.

I THINK IT MAKES SENSE.

>> SPELMAN: I HAVE A FOLLOW UP TO THAT IF I COULD, MAYOR.

>> MAYOR LEFFINGWELL: COUNCILMEMBER SPELMAN?

>> SPELMAN: WE HAVE FOUR ITEMS IN A ROW, REVERSE GENERAL FUND TRANSFER TO EDD, MAINTAIN GENERAL TRANSFER TO 311, CALL CENTER AND ELIMINATE CALL CENTER, THOSE FOUR IN A ROW, ALL OF WHICH IT LOOKED TO ME WOULD, IN EXCHANGE FOR REMOVING GENERAL FUND TRANSFERS IN, WOULD HAVE TO MAINTAIN TRANSFERS IN FROM SOME OTHER DEPARTMENT.

IN MOST OF THOSE CASES THAT WOULD BE AE, AND IN ALL THOSE CASESES, IT WOULD BE SOME MONEY FROM WATER UTILITY AND AUSTIN RESOURCE RECOVERY; DO I UNDERSTAND THAT CORRECTLY?

>> YES.

LOOKING AT SLIDE 10, THE FIRST ITEM, IF PRIMARILY THAT 1.3 MILLION FOR RESTORING AWU AND THE CONTRIBUTION SUSTAIN ABILITY FUND, THAT'S MOSTLY AWU.

1 PERCENT OF REVENUE, AWU AS BIGGER REVENUE THAN ARR, SO MOST OF THAT WOULD BE AN AWU IMPACT.

THE SECOND ITEM, THERE WOULD BE SOME FLEXIBLE, BUT I WOULD VIEW THAT AS BEING PRIMARILY AN AUSTIN ENERGY IMPACT, AND THEN THE LAST ONE REALLY WOULD BE AN ARR IMPACT.

>> SPELMAN: THE ECONOMIC DEVELOPMENT PROGRAM IS THE 311.

>> THE THREE ONE ONE CALL CENTER.

REALLY WHEN WE INCREASE THE GENERAL FUND IT'S LOWERING THE ARR.

IT'S CURRENTLY ARR THAT WOULD BE GETTING THE REDUCTION AND THE GENERAL FUND GETTING THE INCREASE.

>> SPELMAN: BECAUSE THIS ISN'T JUST FLOPPING CASH, THIS IS CHANGING THE MODEL.

>> THAT'S RIGHT.

>> SPELMAN: SO ALL THREE OF THOSE ENTERPRISE FUNDS WOULD BE INCURRING ADDITIONAL COSTS.

ARE THOSE ABOVE THE THRESHOLD THAT YOU'D CONSIDER IT NECESSARY FOR YOU TO REVISE THE RATES?

>> YOU KNOW, THINGS ARE MOVING FAST THIS TIME OF THE YEAR, AND WE'RE GOING TO HAVE TO GET DOWN WITH THOSE ENTERPRISE DEPARTMENTS AND DETERMINE THAT.

ONE OF THE OTHER CONSIDERATIONS IS WE HAVE NOT HAD CHANCE TO WORK WITH THESE DEPARTMENTS TO THIS LOWERING OF THE EMPLOYEE BENEFITS FUND, THAT HELPS THEIR RATE, THESE CHANGES WOULD HURT THEIR RATE.

SO THERE'S A LOT OF THINGS MOVING AROUND RIGHT NOW.

THEY ALSO HAVE ENDING BALANCES THAT CAN BE UTILIZED, DEPENDING UPON WHERE THEY ARE WITH THEIR RESERVE REQUIREMENTS AND THE FINANCIAL POLICIES, SO THERE'S A LOT OF MOVING PIECES ON THAT, AND THAT'S WHY WE REALLY NEED TO GET DIRECTION FROM COUNCIL SO THAT WE CAN START TO COALESCE THIS PUZZLE A LITTLE BIT, BRING IT TOGETHER, AND LET YOU KNOW SOONER THAN LATER, OBVIOUSLY, IN REGARDS TO HOW THIS COLLECTIVE PACKAGE OF CHANGES IS GOING TO IMPACT THE BOTTOM LINE OF THE UTILITIES, AND WHAT, IF ANY, IMPACT IT WILL HAVE ON ITS RATE.

THERE'S A LOT OF MOVING PIECES SO IT'S HARD TO SAY DEFINITELY THIS SINGLE ONE IN ISOLATION IS GOING TO IMPACT OR NOT IMPACT THE RATES THAT THESE UTILITIES NEED TO CHARGE FOR FISCAL YEAR '14.

>> SPELMAN: WOULD IT BE INACCURATE OF ME TO EXPECT THAT IF WE DID EVERYTHING ON THIS LIST, AND ALSO ADOPTED SOME PACKAGE OF CHANGES AND WAGES ADDING UP TO SOMETHING LIKE 8 MILLION, ROUGHLY A 3% ACROSS THE BOARD INCREASE WOULD COST US AND APPLY THAT TO ALL THE ENTERPRISE FUNDS, THAT WOULD BE ENOUGH, IN MOST CASES AT LEAST, TO TRIGGER YOU'RE GOING TO HAVE TO GO BACK AND TAKE A LOOK AT THE RATES?

>> I THINK SO.

AND CERTAINLY PROBABLY FOR THE WATER UTILITY, JUST SPEAKING OFF THE CUFF TO SOME DEGREE IN TERMS OF

>> SPELMAN: YEAH.

>> IF WE WERE TO DO ALL OF THOSE THING, I THINK VERY LIKELY, YOU'D SEE A WATER UTILITY ADDITIONAL INCREASE IN FISCAL YEAR '14.

FOR SOME OF THE OTHER UTILITIES THEY MAY BE ABLE TO DEFER IT UNTIL '15 OR '16, BUT AT SOME POINT IN TIME IF THEIR COST STRUCTURE IS HIGHER THEY'LL NEED TO RECOVER THOSE COSTS.

>> SPELMAN: SURE.

>> AT SOME POINT IN TIME, JUST DEPENDING ON THEIR ENDING BALANCES AND HOW FAR DOWN THE ROAD THEY CAN DEFER THAT INCREASE.

>> SPELMAN: THERE ARE OTHER PROPOSALS, WE'RE GOING TO PUT A LITTLE BIT MORE BURDEN ON AE AS WELL.

SO THAT'S VERY LIKELY.

>> WITH RESPECT TO AUSTIN WATER, WE NOT ONLY HAVE TO COVER THEIR COST BUT MAKE SURE THAT THEIR DEBT SERVICE CALCULATIONS ARE STILL IN SHAPE FOR THAT BUDGET.

>> SPELMAN: AND UNLIKE AE, THEY'RE NOT RUNNING A SURPLUS THIS YEAR.

>> MAYOR.

>> MAYOR LEFFINGWELL: AND BEFORE WE GET TOO FAR AWAY, I WOULD LIKE TO GO BACK AND MAKE SURE I UNDERSTAND THE IMPLICATIONS OF REMOVING THE ALL OF THE FUNDING FOR PATROLLING THE TRAILS, AND AS I UNDERSTAND IT, THAT WOULD BE THAT WOULD MEAN YOU'RE DIRECTING THE POLICE CHIEF NOT TO PATROL THE TRAILS.

YOU'RE DIRECTING HIM WHERE AND HOW TO DEPLOY HIS FORCES.

AND AS I UNDERSTAND IT, IF THE MILLION DOLLARS WERE REMOVED, HE WOULD STILL PATROL THE TRAIL, THEY WOULD JUST REMOVE OFFICERS FROM NEIGHBORHOOD PATROLS AND OTHER PLACES TO GO DOWN AND PATROL THOSE TRAILS.

SO YOU'LL HAVE A REDUCTION IN POLICE MAINLY IN OTHER PARTS OF THE CITY TO DO THAT.

THEY WON'T BE UNCOVERED.

CHIEF MCDONALD, COULD YOU EXPAND ON THAT?

OR VERIFY IT OR SAY I'M WRONG OR WHATEVER.

>> MAYOR, CONVERSATIONS WITH THE CHIEF THAT WE'VE HAD ALL ALONG, YOU KNOW, EVEN FOR WHEN THE PILOT WAS FIRST CONTEMPLATED, WE RECOGNIZE IF WE ADVERTISED THAT THE TRAILS ARE OPEN, WE'RE GOING TO HAVE TO PATROL THE TRAIL, AND SO CERTAINLY THE CHIEF WILL HAVE TO MAKE SOME DECISIONS IN TERMS OF WHERE HE'S GOING TO REDEPLOY IN ORDER TO COVER THOSE TRAILS AFTER HOURS.

NOW, AGAIN, THE TRAILS ARE COVERED IN GENERAL RIGHT NOW ANYWAY, IT'S JUST THAT THEY WERE NOT PUTTING ADDITIONAL RESOURCES OUT THERE AFTER 12:00 BECAUSE, YOU KNOW, IT WAS AFTER CURFEW.

BUT AT THIS POINT, IF COUNCIL MOVES FORWARD WITH THAT DECISION, WE'RE STILL GOING TO MAKE SURE THAT THE TRAILS ARE COVERED SUFFICIENTLY, AND IT'S GOING TO MOON SOME RE MEAN SOME REDEPLOYMENT.

>> MAYOR?

>> MAYOR LEFFINGWELL: COUNCILMEMBER MARTINEZ?

>> MARTINEZ: I DON'T VIEW IT AS DIRECTING THE CHIEF NOT TO PROBLEM THE TRAILS.

OBVIOUSLY THAT IS NOT MY INTENTION, AND IT'S JUST LIKE US, IF WE WERE TO TELL A DEPARTMENT YOU DON'T GET THE FTES YOU'VE REQUESTED, WE'RE NOT TELLING THAT DEPARTMENT DON'T GO TO YOUR JOB, WE'RE JUST SAYING YOU NEED TO TIGHTEN OUR BELT WITHIN EXISTING RESOURCES.

AND I THINK THAT IS THE OVERRIDING MESSAGE FOR ME.

I REALIZE THE REQUEST, AND I APPRECIATE THAT.

AND I APPRECIATE WHY STAFF AND THE CHIEF BELIEVES THAT THAT IS AN APPROPRIATE REQUEST.

BASED ON THE DATA, BASED ON 10 CYCLISTS A NIGHT, I'M PREPARED TO SAY LET'S SEE WHAT IT LOOKS LIKE TO TRY TO ADHERE TO THAT DEMAND WITHIN YOUR EXISTING RESOURCES.

AND IF WE CAN'T, I'LL BE THE FIRST ONE TO BRING IT BACK AND DISCUSS IT AND TRY TO SEE IF WE NEED TO MAKE A BUDGET AMENDMENT LATER ON.

I JUST DON'T BELIEVE CURRENTLY IT'S JUSTIFIED, AND I'D LIKE TO SEE US TRY TO DO WITHOUT THAT INCREASED OVERTIME.

>> MAYOR LEFFINGWELL: GO AHEAD.

>> AND COUNCILMEMBER, PART OF THE REASON WE HAD THAT DISCUSSION IS, YOU KNOW, BEING HERE A LONG TIME, BEING WITH THE CITY FOR 30 YEARS, AND BACK WHEN I WAS AN ASSISTANT CHIEF, A LOT OF PEOPLE DON'T REMEMBER THIS, BUT OUR TRAILS AT ONE POINT WERE AT RISK DURING THE DAYTIME.

I MEAN, WE HAD SEVERAL MAJOR ASSAULTS AND DAYTIME SEXUAL ASSAULTS THAT HAD OCCURRED, AND IT TOOK US SOME TIME.

I WAS A PART OF REDEPLOYING RESOURCES TO MAKE SURE THAT WE CAN GET THE TRAILS AS SAFE AS THEY ARE. THEY WERE NOT AS UTILIZED AS THEY ARE TODAY.

AND SO THAT WAS PART OF THE REASON THAT WE HAD THAT DISCUSSION, THAT IF THAT WERE TO OCCUR, THEN WE'RE GOING TO MAKE SURE THAT WE REDEPLOY IN SUCH A WAY TO KEEP THEM SAFE, BECAUSE WE WON'T FOLKS TO WANT FOLKS TO FEEL COMFORTABLE ABOUT THEM ACROSS THE BOARD, SO WE WOULD HAVE TO DO THAT.

>> MAYOR LEFFINGWELL: JUST WANT TO MAKE SURE THAT EVERYBODY UNDERSTOOD, THERE WOULD BE IMPACTS FROM TRYING TO PROVIDE THAT KIND OF PATROL COVERAGE WITHOUT THE FUNDING TO DO IT.

I MEAN, IT'S GOT TO COME FROM SOMEWHERE, SO THE FUNDING FOR THOSE TRAILS WILL COME FROM SOMEWHERE ELSE IN THE CITY.

MAYOR TOVO?

>> TOVO: AND I GUESS WHAT I WAS TRYING TO ARTICULATE BEFORE THAT WE CAN CERTAINLY AGREE DURING THE BUDGET PROCESS TO REMOVE THAT FUNDING AND SCHEDULE IT FOR A DISCUSSION ON OUR SEPTEMBER 26TH AGENDA TO DECIDE WHETHER OR NOT TO CONTINUE THE PILOT PROGRAM, IF THERE'S IF THERE'S DISAGREEMENT, AND IT SOUNDS LIKE THERE IS DISAGREEMENT ABOUT WHETHER OR NOT WE SHOULD CONTINUE THE PILOT PROGRAM UNDER THE NEW INFORMATION THAT IT'S NO LONGER RECEIVING THIS KIND OF EXTRA POLICE PATROL, THAT WOULD BE AN OPPORTUNITY FOR US TO REALLY HAVE A THOROUGH DISCUSSION, THE KIND OF THOROUGH DISCUSSION I DON'T THINK WE'RE GOING TO HAVE AN OPPORTUNITY TO DO HERE TODAY.

>> MAYOR LEFFINGWELL: I JUST WANT A CLEAR UNDERSTANDING, THIS IS TANTAMOUNT TO REDUCING PUBLIC SAFETY FUNDING TO DO SOMETHING LIKE THIS.

ALL RIGHT?

>> COLE: MAYOR?

>> MAYOR LEFFINGWELL: MAYOR PRO TEM.

I WANT TO GO BACK TO SOME OF THE QUESTIONS THAT COUNCILMEMBER SPELMAN HIT ON.

WE HAD A LENGTHY POLICY DISCUSSION ABOUT AWU AND ARR AND NOT HAVING THEM CONTRIBUTE TO THE SUSTAIN ABILITY FUND AS AN ACCOUNTING METHOD MATTER.

CAN YOU SUMMARIZE THAT FOR US, BRIEFLY, ED?

>> WELL, I'LL TRY.

AND CERTAINLY IF I START DOWN SOME RABBIT HOLE THAT THAT'S NOT WHERE YOU WANT ME TO GO, BUT

>> COLE: I JUST BASICALLY REMEMBER THAT THE IDEA WAS THAT THESE PARTICULAR CUSTOMERS SHOULD NOT BE CHARGED FOR THAT IT WASN'T RELATED.

>> WELL, I THINK THAT'S THAT'S KIND OF THE THOUGHT PROCESS, IS THAT IT'S NOT REALLY RELATED.

THERE'S NOT THE NEXUS BETWEEN THE WATER UTILITIES MENTION AND SERVICES AND SOME OF THE PROGRAMS WE'RE FUNDING OUT OF THE SUSTAINABILITY FUND, THERE'S NOT THAT TIGHT RELATION.

THAT WOULD BE THE SHORT VERSION OF THE DISCUSSIONS WE'VE HAD AND THE DIRECTION WE'VE PROPOSED IN THE FY2014 BUDGET.

>> COLE: I BELIEVE YOU TOLD COUNCILMEMBER SPELMAN THAT THERE'S A GOOD CHANCE THAT WE MAY SEE AN INCREASE IN WATER RATES IF WE MADE THIS DECISION; IS THAT RIGHT.

>> I WOULD HAVE TO WORK THROUGH IT WITH DAVID ANDREWS, REALLY, AND GREG, I WOULD HAVE TO WORK THROUGH THAT.

I DO THINK THAT'S A TRUE STATEMENT.

I DON'T THINK THEY HAVE A LOT OF LATITUDE RIGHT NOW IN REGARDS TO THE RESERVE REQUIREMENTS THEIR DEBT SERVICE REQUIRES IN ABLE TO JUST ABSORB AN INCREASE IN \$1.3 MILLION.

>> COLE: AND MOVING THAT SAME DISCUSSION TO AUSTIN ENERGY IN TERMS OF THE DECISION TO REVERSE THE GENERAL FUND CONTRIBUTION TO THE ECONOMIC DEVELOPMENT DEPARTMENT, WOULDN'T THAT SAME TYPE OF RATIONALE APPLY THAT WE WOULD POTENTIALLY SEE PRESSURE ON AE RATES IF WE WERE NOT TO MAKE THIS TRANCE TRANSFER?

>> >> WOULD CERTAINLY THINK SO AT SOME POINT IN TIME, IT'S AN INCREASE TO THEIR LONG TERM COST STRUCTURE.

NOW YOU'RE TALKING ROUGHLY 1.2 MILLION OUT OF A \$1.2 BILLION BUDGET, BUT IT STILL IS AN INCREASE TO THEIR COST STRUCTURE, AND YOU WOULD EXPECT THAT AT SOME POINT IN TIME, IT'S GOING TO START TO REFLECT ITSELF IN THEIR RATES, IF NOT NECESSARILY IN FY '14, CERTAINLY AT SOME POINT DOWN THE LINE.

>> COLE: I WOULD JUST LIKE TO SAY WE TALK ABOUT INCREASING OUR FEES AND BEING CAREFUL WITH OUR CONSTITUENCY ON THAT LEVEL AND I THINK WE ALSO HAVE TO BE CAREFUL WITH OUR CONSTITUENCY ON PUTTING ANYTHING BACK THAT WOULD PUT PRESSURE ON THE ENTERPRISE FUND RATES.

>> MAYOR LEFFINGWELL: COMMISSION TIER TOVO?

>> TOVO: I DON'T HAVE A DIRECT RESPONSE TO MAYOR PRO TEM.

IF SOMEBODY DOES, THEY CAN JUMP IN.

I WANTED TO MOVE ON TO A DIFFERENT TOPIC.

>> MAYOR LEFFINGWELL: GO AHEAD.

>> TOVO: I JUST WANTED TO THROW IN A COUPLE OF THINGS I'VE BEEN THINKING ABOUT SOME BUDGET QUESTIONS, LAST YEAR I MADE A PROPOSAL THAT WE MOVE THAT WE USE SOME OF THE DRAINAGE UTILITY FUND FOR TREE MAINTENANCE AND WATERING, BECAUSE OF THE BENEFIT THAT TREES HAVE BECAUSE OF THE STORM WATER, THEY HAVE DIRECT STORM WATER BENEFITS THAT IS THE PURPOSE AND FULFILLS THE MISSION OF THE DRAINAGE UTILITY FUND.

AND I JUST WANTED TO LET YOU ALL KNOW THAT I AM CONTINUING TO THINK THROUGH THAT AND PLAN TO PROPOSE THAT WE USE AT THIS POINT I THINK I'M GOING TO PROPOSE THAT WE PRIORITIZE UP TO 1% OF THE ENDING BALANCE.

THAT FUND IS PROJECTED TO HAVE AN ENDING BALANCE OF 6,192,000 SOME ADDITIONAL NEXT SEPTEMBER.

AND 1 PERCENT OF THAT UP TO 1 PERCENT, OR WE COULD SET A CAP, FOR MAINTENANCE AND WATERING THE VEGETATION AND TREES, AND WE COULD INCLUDE LANGUAGE LIKE WE'RE DOING FURTHER THE MISSION OF THE DRAINAGE UTILITY AS PROVIDED BY STATE LAW.

BECAUSE OF THE REAL LACK OF FUNDING, FRANKLY, FOR TREE MAINTENANCE AND WATERING, WE ARE LOSING A SIGNIFICANT PORTION OF OUR URBAN FOREST, AND THAT WILL HAVE STORM WATER NEGATIVE STORM WATER IMPACTS.

WE HAD A STUDY BACK IN JUNE PRIOR TO RESOLUTION AND A STUDY IS CURRENTLY UNDERWAY TO LOOK AT THE VALUE OF THE STORM WATER TREES AND OUR PARKS, AND WE'LL LOOK AT MORE INFORMATION ABOUT THAT AS THE YEAR GOES ON, BUT THAT IS SOMETHING I'M GOING TO PROPOSE.

A COUPLE OTHER THINGS I JUST WANTED TO MENTION, YOU KNOW, WE HAD A DISCUSSION DURING THE PRESENTATION ABOUT THE CONVENTION CENTER.

AND THE CONVENTION CENTER WILL BE FUNDING THE AFRICAN AMERICAN CULTURAL AND HERITAGE FACILITY.

AND I'M NOT CLEAR ON WHAT FUNDING STREAM AT THE CONVENTION CENTER IS DOING THAT.

WE'VE MADE SOME CALLS AND IT WASN'T CLEAR TO THE STAFF WE WERE REACHING OUT, TOO, EITHER.

I THINK I ASKED SOME BUDGET QUESTIONS LAST FRIDAY THAT HOPEFULLY WILL NAIL THAT DOWN.

IT MADE ME WONDER IF WE SHOULDN'T ALSO BE LOOKING TO THE CONVENTION CENTER FOR SUPPORT OF OUR OTHER CULTURAL FACILITIES, THE NAY, THE DICKENSON AND THE O' HENRY.

THAT IS SOMETHING I'M WORKING THROUGH.

AND I WOULD SAY, YOU KNOW, I THINK IT'S CONSISTENT WITH WHAT OUR FINANCIAL STYLES HAVE ENCOURAGED US TO DO OVER THE LAST COUPLE YEARS OF MAKING SURE OUR PARTICULAR FUNDS ARE DIRECTLY RELATED TO THE FUNDING STREAMS ARE DIRECTLY RELATED TO THE MISSION.

AND SO, AGAIN, I'M WORKING WITH LEGAL STAFF AND SOME OTHERS TO KIND OF MAKE SURE THAT THAT'S IN LINE WITH IF IT IS BEING FUNDED IF THE AFRICAN AMERICAN CULTURAL AND HERITAGE FACILITY IS BEING FUNDED THROUGH HOTEL/MOTEL TAX, THAT WE'RE ON SOLID LEGAL GROUNDS IN DOING IT FOR THESE OTHER ENTITIES AS WELL, AND THAT WOULD WORK OUT TO ABOUT ONE I THINK WAS ESTIMATING I DON'T HAVE THE NUMBERS, BUT SOMEWHERE IN THE NEIGHBORHOOD OF ABOUT 1.1 MILLION SHIFTING FROM PARD TO THE CONVENTION CENTER.

I HAVE SOME STAFFING HERE AND THERE THAT I WOULD LIKE TO SEE SOME PROGRESS.

I ASK GO INTO DETAIL ABOUT THAT.

I THINK IT'S A HIGH PRIORITY AS I'VE MENTIONED IN SOME OF OUR WORK SESSIONS, A VERY HIGH PRIORITY TO MAKE SURE THAT WE ARE AT LEAST MINIMALLY STAFFED AND HAPPY WITH LIE RARIANS, AND I LIBRARIANS AND I WOULD PROPOSE SOME SHIFTS AND POSITIONS THAT ARE IN THE BUDGET SO WE CAN ACCOMMODATE THAT.

WE HAVE SOME QUESTIONS I KNOW COUNCILMEMBER MORRISON SUBMITTED, I SUBMITTED ONE ABOUT THE POLICE FORFEITURE FUND, I'D BE INTERESTED TO KNOW WHETHER THOSE COULD BE USED TO FUND SECURITY CAMERAS AT THE PUBLIC LIBRARY, WHICH IS ONE OF THEIR UNMET NEEDS.

IT'S CERTAINLY CRIME PREVENTION AND THAT SEEMS IN LINE WITH THE FORFEITURE FUNDS GOALS.

AND THEN WHEN WE GET THE ANSWER BACK FROM SOME OF THE QUESTIONS I ASKED WITH REGARD TO THE CEMETERY, THAT WILL HELP US KNOW WHETHER WE CAN USE SOME OF THE ONE TIME FUNDING FOR COMMODITIES. THE CEMETERY IS NOW A BIG NUMBER FOR STAFFING AND COMMODITIES, AND KNOWING HOW THAT BREAKS DOWN WILL HELP US KNOW WHETHER WE CAN SHIFT SOME OF THAT.

SO ANYWAY, IN THE INTEREST OF TIME, I WANTED TO THROW THOSE OUT, AND I CAN BE MORE SPECIFIC AS NEEDED.

I WILL ALSO MENTION WE DID GET I HAD A MEETING THIS WEEK WITH ABOUT THE ASIAN AMERICAN RESOURCE CENTER, WHICH WOULD LIKE TO BE A SENIOR CONGREGATE MEAL SITE AND STAFF IS HELPING ME WORK THROUGH SOME OF THOSE NUMBERS BUT THAT MAY BE SOMETHING I BRING FORWARD NEXT WEEK AS A REQUEST FOR SOME FUNDING FOR THAT, SO I WILL SAY LIBRARIANS, CONGREGATE MEALS, I WOULD LIKE TO SEE SOME FUNDING FOR COUNCILMAN MARTINEZ'S BUDGET QUESTIONS.

PROMOTING SNAP, I THINK THAT SHOULD BE A HIGH PRIORITY.

CAPITAL IDEA, MACK, WE'RE ALL GETTING THE SAME FUNDING REQUESTS, BUT THOSE ARE SORT OF ON MY SHORT LIST.

>> MAYOR LEFFINGWELL: COUNCILMEMBER MARTINEZ?

>> MARTINEZ: SO LET ME I'M JUST GOING TO THROW OUT SOME THINGS THAT I'LL BE TRYING TO PROPOSE NEXT WEEK.

ONE AS WE START WITH ZERO BUDGET IMPACT.

JUST TO GIVE YOU GUYS A LITTLE BIT OF A REPRIEVE BEFORE MY NEXT PROPOSAL

[LAUGHTER]

>> MARTINEZ: SO WE'VE ALL HEARD FROM AUSTIN INNER FAITH AND CAPITAL IDEA, AND I'VE STRUGGLED WITH THIS, TO BE HONEST WITH YOU.

THEY ARE STRUGGLING WITH COMPETING AGAINST OTHER SOCIAL SERVICE AGENCIES FOR PRECIOUS RESOURCES AS IT RELATES TO SOCIAL SERVICE CONTRACTING. IT'S UNCOMFORTABLE, AND I CAN UNDERSTAND WHY, TO HAVE TO COMPETE AGAINST SERVICES FOR CHILDREN, HOMELESSNESS, DRUG AND ALCOHOL REHABILITATION AND SO FORTH.

SO WHAT THEY'VE REQUESTED IS THAT WE SIMPLY TRANSFER THAT COLATED FUNDS FOR WORKFORCE DEVELOPMENT AND PUT THEM UNDER EGR, WHERE THEY PREVIOUSLY HAVE BEEN ALLOCATED SO THAT AND THEY'RE STILL FINE WITH THE COMPETITIVE PROCESS, AS FAR AS I UNDERSTAND.

IT'S JUST BEING PUT IN THAT SAME PULL OFFAL ALL OF OUR OTHER SOCIAL SERVICE AGENCIES.

AND I'VE POINTED THIS OUT AT HEALTH MEETING SERVICES, THE DANGEROUS ROAD WE TRAVEL DOWN IS ONCE WE START, WHO COMES NEXT AND SAYS, I DON'T WANT TO COMPETE WITH THOSE OTHER AGENCIES, I DON'T THINK IT'S FAIR FOR US.

I DON'T KNOW WHERE THAT GOES.

BUT I'M AT LEAST GOING TO HONOR THAT REQUEST FOR WORKFORCE DEVELOPMENT, BECAUSE I DO THINK IT IS DIRECTLY RELATED TO ECONOMIC DEVELOPMENT AND JOB CREATION.

AND SO I WILL MAKE A PROPOSAL JUST TO SHIFT THOSE FUNDING DOLLARS INTO EGR SO AND STILL REMAIN THAT COMPETITIVE PROCESS, FOR AT LEAST SKILL POINT ALLIANCE AND CAPITAL IDEA.

WORKFORCE SOLUTIONS, I THINK, IS SOMEWHAT DIFFERENT.

THEY ACTUALLY DO PROVIDE OTHER SOCIAL SERVICES OUTSIDE OF JUST WORKFORCE DEVELOPMENT, SO AS A STARTING POINT, AT LEAST CAPITAL IDEA AND SKILL POINT ALLIANCE COMING THROUGH ECONOMIC DEVELOPMENT DEPARTMENT NOW.

SO THAT WOULD BE ONE.

THE OTHER THINGS THAT I WILL BRING UP FOR DISCUSSION IS WHAT, IF ANY, CAN BE SHIFTED OUT OF WHAT'S PROPOSED AS STRUCTURAL DOLLARS INTO ONE TIME EXPENDITURES FROM OUR BUDGET STABILIZATION RESERVE FUNDS.

AND SO I WANT TO QUICKLY GO THROUGH THIS LIST OF WHAT I'VE IDENTIFIED AS POTENTIAL ONE TIME AND WHAT YOU ALL HAVE IDENTIFIED, NOT JUST MYSELF, IN YOUR BUDGET PROPOSAL AS ONE TIME EXPENDITURES, AND IF THEY CAN BE COVERED BY BUDGET STABILIZATION RESERVE, AND IF SO, WHAT, I GUESS, OPPORTUNITIES DOES THAT CREATE FROM A STRUCTURAL BUDGET STANDPOINT MOVING FORWARD.

[ONE MOMENT, PLEASE, FOR CHANGE IN CAPTIONERS]

COFA 9/3/13 3:30P-END

>> WE HAVE 150,000 ALLOCATED FOR THE START UP OF WALLER CREEK.

IS IT AN ONGOING EXPENSE OR IS IT TRULY A START UP, IF SO, CAN WE DO THAT FROM BUDGET STABILIZATION RESERVES OPPOSED TO STRUCTURAL EXPENSES.

IN FIRE, THERE IS 300,000 FOR REPLACEMENT OF 255 BREATHING APPARATUSES.

I'M FAIRLY CERTAIN THAT IS NOT AN ANNUALIZED EXPENDITURE.

WE REPLACED THEM ON, I BELIEVE, A FIVE YEAR SCHEDULE.

MAYBE LESS.

IN FIRE, AS WELL.

IT'S ONE TIME EXPENDITURES FOR 25 AEDS.

11 THERMAL IMAGING CAMERAS, 15 STATION TREADMILLS AND SEB RELATED EQUIPMENT.

AND, THEN, LASTLY,

THERE'S MORE INFORMATION ON THE ADDITIONAL CTM ITEM IT ACTUALLY SAYS A ONE TIME TRANSFER FOR SERVERS AND EQUIPMENT OF 1.28.

I'M NOT SURE IF THAT'S THE SAME AS THE CRITICAL REPLACEMENTS.

IT SOUNDS LIKE IT MIGHT BE AND IT MIGHT ALREADY BE PROPOSED FROM CIP, BUDGET STABILIZATION RESERVE, SO HELP ME UNDERSTAND ALL OF THOSE.

>> I WOULD SAY MOST, IF NOT ALL, BUT CERTAINLY MOST OF THOSE THINGS YOU MENTIONED ARE THINGS WE COULD FUND OUT OF OUR CRITICAL ONE TIME FUND.

THE AIR BOTTLES, THE VESTS WE HAVE IN THE PAST, JUST A LITTLE TANGENTIAALY BUT WE STARTED TO MOVE TOWARDS TREATING THOSE REALLY AS AN ANNUAL OPERATING EXPENSE BECAUSE WE NEED TO BE REPLACING VESTS AND BREATHING APPARATUS ON A REGULAR BASIS.

WE'VE MOVED IN THAT DIRECTION.

I THINK IT IS OKAY TO USE THE ONE TIME DOLLARS FOR THOSE PURPOSES.

THE CONSTRAINT ON THE ONE TIME FUNDS WASN'T THE FINANCIAL POLICY OF PULLING THOSE FUNDS DOWN BY NO MORE THAN A THIRD A YEAR, BUT MAINTAINING THE TOTAL POSTURE OF 12% A YEAR.

THAT'S WHERE THE BREAKING POINT IS.

THAT'S WHY WHEN WE'RE REVISING THE FISCAL YEAR '13 REVENUE PROJECTIONS THAT INCREASE THE AMOUNT OF MONEY THAT FLOWS THROUGH THE STABILIZATION RESERVES AND GIVES US MORE MONEY TO SPEND ON THE ONE TIME ITEMS WITHOUT GOING BELOW THAT 12%.

MOST, IF NOT ALL OF THOSE THINGS, COULD BE FUNDED OUT OF THE STABILIZATION RESERVES AS THEY STAND NOW BUT IT WOULD PUSH US BELOW 12% OR WE WOULD NEED TO FIND OTHER SOURCES OF REVENUES TO KEEP US THERE.

>> AND, I APPRECIATE THAT EXPLANATION BECAUSE THAT PLAYS INTO WHAT I WOULD ASK US ALL TO CONSIDER, AND THAT IS WHAT THE PROJECTED SALES TAX SCENARIO WOULD LOOK LIKE FOR THE UPCOMING YEAR.

I REALIZE STAFF'S RECOMMENDATION IS TO NOT GO ABOVE 4% BECAUSE OF THE ANNUALIZED HISTORIC TREND OF IT BEING 3.6%, SO I WILL JUST START AT 3.5%, WHICH WOULD ALLEVIATE SOME OF THAT BURDEN OF STAYING AT OR ABOVE 12%.

I DON'T KNOW WHAT, I GUESS, THE DOLLAR AMOUNT IS 1.356.

>> YOU'RE LOOKING AT THE SCENARIO THAT IS 3.5, 3.5?

>> YES.

>> THAT WOULD GIVE US 465,000 MORE IN OUR FY 13 PROJECTIONS FOR THE ONE TIME PURPOSES AND 1.4 MILLION ON TOP OF THAT IN FY 14.

IT REALLY ALL BECOMES MONEY THAT CAN BE ALLOCATED TO RECURRING PRIORITIES BECAUSE WE HAVE SO MANY THINGS LOADED INTO ONE TIME ITEMS LOADED IN OUR OPERATING BUDGET THIS YEAR.

>> THANKS.

>> MR. MAYOR.

>>MAYOR LEFFINGWELL: COUNCIL MEMBER MORRISON.

>>MORRISON: I WANT TO GO DOWN MY LAUNDRY LIST.

I'M SUPPORTIVE OF COUNCIL MEMBER MARTINEZ OF MOVING THE CAPITAL FUNDS.

WE HAD THIS IN HEALTH AND HUMAN SERVICES AND IT IS A CHALLENGE BUT IT IS SO TIED TO ECONOMIC DEVELOPMENT.

WE RECEIVED A REPORT ON THE ECONOMIC DEVELOPMENT INCENTIVE COMMITTEE RECOMMENDATIONS JUST LAST WEEK, AND ONE OF THE THINGS IN THERE TALKS ABOUT MAYBE DOING SOME BONUS PROVISIONS IF THE FOLKS IF THERE IS 380 COMPANIES WE'RE TALKING TO, ARE INVESTING IN STEM PROGRAMS, AND NOT ONLY DO I THINK THAT'S A GOOD IDEA, BUT I ALSO THINK WE NEED TO THINK MORE BROADLY, NUMBER ONE, ABOUT GETTING THAT AS A REVENUE STREAM FOR WORKFORCE DEVELOPMENT AND NOT JUST STEM.

BECAUSE STEM IS DEFINITELY IMPORTANT, BUT WE'VE GOT HEALTH CAREERS COMING DOWN THE LINE AND WE'VE GOT MANUFACTURING.

AND ALL OF THAT.

I JUST WANT TO MAKE SURE WE'RE BROAD ENOUGH IN THAT.

SO, WITH REGARD TO CAPITAL IDEA, THERE WAS ALSO THE REQUEST FOR INCREASED FUNDING THAT I THINK WE NEED TO HAVE ON THE TABLE THERE OF \$200,000.

I WANTED TO CALL EVERYONE'S ATTENTION TO QUESTION NUMBER 48.

WHICH WAS A QUESTION ABOUT PROPERTY TAX EXEMPTIONS.

I WANTED TO GET STRAIGHT EXACTLY WHICH ONES WE COULD PROVIDE.

YOU KNOW, WE DON'T PROVIDE A GENERAL HOMESTEAD EXEMPTION AND THE COUNCIL DID SUPPORT A BILL CARRIED BY REPRESENTATIVE RODRIGUEZ TO ACTUALLY ALLOW US TO DO A FLAT AMOUNT, OPPOSED TO A PERCENTAGE.

BECAUSE THE PERCENTAGES ARE GOING TO BE VERY, VERY EXPENSIVE.

THE BILL DID NOT PASS, SO THAT'S UNFORTUNATE.

WE DO PROVIDE EXEMPTIONS, ONE IS FOR DISABLED VETERANS AND IT IS DICTATED BY THE STATE SO WE DON'T HAVE ANY CONTROL OVER THAT.

WE DO EXEMPTIONS FOR 65 AND OLDER AND DISABILITY EXEMPTIONS, WHAT I WOULD LIKE TO PUT ON THE TABLE IS THE POSSIBILITY OF RAISING THOSE.

THE 65 AND OLDER EXEMPTION IS \$51,000 RIGHT NOW.

AND, THE DISABILITY IS ALSO 51.

AND, I THINK THAT OBVIOUSLY THE COST OF THE APPRAISED VALUE OF FOLK'S HOUSES IS GOING UP. THESE ARE PARTICULARLY VULNERABLE POPULATIONS, AND SO WE'VE GOT SOME GOOD NUMBERS HERE.

IF WE WERE TO RAISE THESE BY 5%, COMBINED IT WOULD BE \$415,000, SOMETHING LIKE THAT. SO, 415,000.

AND, THAT'S ONLY A 5% RAISE, BUT I THINK IT WOULD MAKE SENSE FOR US TO CONSIDER GETTING INTO THE HABIT OF TRYING TO RAISE THOSE.

SO THAT'S ONE.

>> THAT WOULD BE ABOUT A \$2,500 INCREASE IN THE EXEMPTION?

>> YES.

IT WOULD GO FROM 51 TO 53,550.

SO, YOU KNOW, IT IS NOT LIKE IT IS GOING TO MAKE OR BREAK ANYBODY, BUT AT LEAST IT PUTS US ON A PATH.

>> JUST TO CLARIFY, IT IS OVER 65 OR DISABLED?

YOU CAN'T GET A DOUBLE EXEMPTION IF YOU'RE OVER 65 AND DISABLED.

>> OH, OKAY.

GREAT.

SO, ANOTHER THING WE HAVEN'T TALKED ABOUT YET, ALTHOUGH MAYBE IT WAS MENTIONED AT EMERGING TECHNOLOGY AND TELECOMMUNICATIONS IS A RECOMMENDATION WE GOT FROM THE COMMUNITY TECHNOLOGY AND TELECOMMUNICATIONS COMMISSION ASKING THAT, FOR TWO FUNDING ITEMS, TO FUND TWO ITEMS.

ONE, \$50,000 TO FUND A SURVEY, CONNECT AUSTIN SURVEY, OR CONNECTED AUSTIN SURVEY, THAT WOULD GO OUT AND GIVE US A BETTER SENSE OF WHO'S CONNECTED TO THE INTERNET, WHAT THE DIGITAL DIVIDE, WHAT THE DIGITAL INCLUSION CHALLENGES ARE, AND THAT'S PARTICULARLY IMPORTANT INFORMATION I THINK FOR US BECAUSE WE HAVE A GREAT OPPORTUNITY WITH GOOGLE FIBER AND AT&T IS BRINGING FIBER IN TO REALLY RAISE THE LEVEL OF DIGITAL INCLUSION IN TOWN.

THIS IS GOING TO BE A FUNDAMENTAL PIECE OF INFORMATION.

AND, THEN, THEY ALSO ASK THAT WE CONSIDER RAISING OUR FUNDING FOR GTOPS, THE GRANTS FOR TECHNOLOGY OPPORTUNITIES FOR 175 TO 200.

AND, AGAIN, WITH GOOGLE FIBER COMING TO TOWN, THIS HAS BEEN A VERY SUCCESSFUL PROGRAM, FUNDING NONPROFITS.

THEY HAVE TO MATCH THE HOURS.

THEY'VE BEEN VERY SUCCESSFUL, AND JUST GETTING THAT MANY MORE NONPROFITS THAT ARE SERVING THE UNDER SERVED INVOLVED IN TECHNOLOGY I THINK IS A REALLY POSITIVE THING.

>> MAYOR.

>>MAYOR LEFFINGWELL: ARE YOU FINISHED?

>>MORRISON: I'M NOT FINISHED.

>> YOU SAY A \$25,000 INCREASE?

>>MORRISON: RIGHT, A \$25,000 INCREASE.

ONE THING I DO WANT TO THROW OUT THERE IN TERMS OF THE SOURCE OF FUNDING THAT MAYBE I SHOULD HAVE ASKED THIS AHEAD OF TIME BUT I WILL BE ASKING STAFF, WE ARE GOING TO BE SO, GOOGLE, AS PART OF PUTTING IN THEIR FINER SYSTEM AND POSSIBLY AT&T, I'M NOT SURE THE DETAILS ON THAT YET, THEY HAVE TO PUT IN WHAT THEY CALL HUTS, WHICH ARE SOME RELATIVELY BIG PIECES, 20 OF THEM AROUND TOWN, AND THEY'RE LOOKING AT THE POSSIBILITY, STAFF IS TALKING ABOUT THE POSSIBILITY OF THEM USING, LIKE, SOME OF OUR SUBSTATIONS, DOING GROUND LEASES FOR SUBSTATIONS AND THINGS LIKE THAT.

THAT IS GOING TO GENERATE SOME REVENUE.

I'M NOT SURE WHERE THAT REVENUE GOES, BUT IT DOES SEEM IT WOULD BE NICE IF WE COULD SOMEHOW CAPTURE IT, THE REVENUE COMING FROM THE FACT THAT GOOGLE FIBER IS COMING AND DEDICATING THAT TO PROGRAMS THAT LEVERAGE GOOGLE FIBER IN TOWN, WHICH WOULD BE LIKE THE SURVEY AND GTOPS.

THAT IS A QUESTION I JUST HAVE OFF OUTSIDE OF THIS MEETING THAT I'LL BE ASKING STAFF.

SO, I'M ALSO VERY SUPPORTIVE OF TRYING TO WORK ON OUR LIBRARIES AND THE PARD REQUEST THAT WE'VE GOTTEN.

I WANT TO MENTION THE AUDITOR PUT IN A REQUEST THAT IS NOT IN THE PROPOSED BUDGET FOR, I THINK, 1.5 POSITIONS.

>> MAYOR PRO TEM, YOU DO REMEMBER

>>COLE: YES, \$33,000 ABOUT.

>>MORRISON: WAS IT 1.5 FTES?

>> IT WAS 1.5 FTES.

>>MORRISON: AND THE TOTAL WAS 104?

>>COLE: IS THAT RIGHT?

I HAVE SOMETHING DIFFERENT.

>> THAT'S APPROXIMATELY CORRECT.

>>MORRISON: OKAY.

>>MAYOR LEFFINGWELL: WHAT'S APPROXIMATELY CORRECT?

>> WE REQUESTED 1.5 FTES.

INCLUDING ALL BENEFITS, I BELIEVE THE TOTAL IS CLOSER TO 118.

>>MORRISON: OKAY.

IF WE CAN MAKE SURE WE GET THAT NUMBER INTO THE MIX, THAT WOULD BE HELPFUL.

A COUPLE OF OTHER ITEMS.

I ALSO WILL BE INTERESTED TO UNDERSTAND, I APOLOGIZE AGAIN FOR NOT HAVING THIS IN BY FRIDAY, THAT THE GENERAL FUND TRANSFERS \$850,000 TO THE TRANSPORTATION DEPARTMENT, AND I'M CURIOUS ABOUTS, NUMBER ONE, WHAT THAT'S ABOUT, BUT ALSO WE'VE HAD A LITTLE BIT OF YOU KNOW, IT HAS BEEN BROUGHT UP A FEW TIMES THAT BECAUSE WE LIKELY WON'T BE OUR ESTIMATES FOR RIGHT OF WAY FEES ARE PROBABLY GOING UP BY \$400,000.

I'M WONDERING IF THERE IS ANY WAY TO LOOSEN UP FUNDING FROM THE GENERAL FUND TO THE TRANSPORTATION DEPARTMENT IN LIGHT OF THE FACT OUR RIGHT OF WAY FEES ARE PROBABLY GOING TO BE HIGHER.

AND I DON'T KNOW IF THAT IS SOMETHING WE CAN JUST ANSWER OFF LINE.

>> HOW MUCH.

>>MORRISON: IT IS \$850,000 THE GENERAL FUND TRANSFERS TO THE TRANSPORTATION DEPARTMENT.

>> THAT'S RIGHT.

IT IS REALLY FOR THREE THINGS.

FOR CERTAIN LONG RANGE PLANNING ACTIVITIES THAT AREN'T ELIGIBLE UNDER THE TUF ORDINANCE.

IT IS TO COVER THE FEE WAIVERS FOR THE SPECIAL EVENTS ARE IN THE TRANSPORTATION DEPARTMENT.

SO, THE GENERAL FUND COVERS THAT GAP, AGAIN, BECAUSE THE ALTERNATIVE WOULD BE THE FEE WAIVERS ARE BEING PAID FOR OUT OF THE TRANSPORTATION USER FEE, WHICH IS NOT AN ELIGIBLE USE OF THOSE FUNDS.

AND THE FINAL ONE, AS YOU MIXED, THE RIGHT OF WAY MAINTENANCE.

SO THERE IS REALLY THE THREE AREAS OF GENERAL FUND SUPPLEMENTS THE TRANSPORTATION FEE TO HELP SUPPORT THE AUSTIN TRANSPORTATION DEPARTMENT.

AND, SO, IF THERE WAS AN INFLUX OF \$400,000, WE WOULD HAVE TO LOOK AT IT BUT IT WOULD SEEM INTUITIVE WE WOULD HAVE THE ABILITY, AT LEAST ONE TIME, TO LOWER THAT TRANSFER FOR AT LEAST ONE YEAR.

>>MORRISON: I SEE ALL THE SUDDEN, MR. DURAS HAS APPEARED MAGICALLY IN THE BACK.

DID YOU WANT TO ADD ANYTHING?

MAYBE WE COULD TALK ABOUT THIS OFF LINE AND SEE IF THERE IS A POSSIBILITY OF DOING THAT.

>> IF I COULD MENTION REAL QUICK.

YOU WERE TALKING ABOUT THE TAX WAIVERS, THAT IS NOT SOMETHING WE WOULD BE ABLE TO AFFECT FOR THIS BUDGETARY CYCLE WITH THE TAX ROLLS ALREADY CERTIFIED AND SENT OUT.

THE EARLIEST WOULD BE PART OF THE 2015 BUDGET.

>> OKAY.

THAT'S GOOD TO KNOW.

BY, IF WE WANTED TO BE IN A POSITION TO DO THAT, WOULD WE HAVE TO PUT SOMETHING FOR 2015, PUT SOME THINGS INTO PLACE.

>> STAFF WOULD NEED TO DO SOME WORK WITH THE APPRAISAL DISTRICTS.

>> OKAY.

GREAT.

GREAT.

>> CAN I FOLLOW UP ON THAT ONE, WHICH WOULD BE THE TRANSFER AND YOU MENTIONED A BIG PART COULD PAY THE FEE WAIVERS.

THAT'S ALREADY LISTED IN HERE AS ONE OF YOUR POTENTIAL SUGGESTED CUTS.

A WHOLE GROUP OF FEE WAIVERS.

>> THAT IS \$990,000 OF ADDITIONAL WAIVERS FROM THE GENERAL FUND IS IN THE COMBINATION OF THE FACT THAT THE TRANSPORTATION DEPARTMENT WOULD GET REVENUES SO THEY WOULDN'T NEED AS MUCH OF A GENERAL FUND TRANSFER.

>> SO, IF YOU ELIMINATE THE 850,000 FROM THE GENERAL FUND TRANSFER, THE TRANSPORTATION FUND, YOU WOULD ALMOST HAVE TO ELIMINATE THE FEE WAIVERS, RIGHT?

>> ABOUT \$225,000 OF THE GENERAL FUND TRANSFER AND ABOUT \$225,000 OF THAT FEE WAIVER AMOUNT ARE THE TRANSPORTATION DEPARTMENT'S PIECE OF THE FEE WAIVERS SO THERE IS THAT OVERLAP ON THIS CONVERSATION.

>> I JUST WANT TO MAKE SURE WE DON'T DOUBLE COUNT HERE.

AND, I'M GLAD YOU BROUGHT THAT UP BECAUSE IN ORDER TO EXTEND THE IMPLICATIONS OF CUTTING THAT TRANSFER MIGHT BE THAT WE HAVE TO CUT SOME OF THESE FEE WAIVERS.

>>MORRISON: GREAT.

IN TERMS OF THE ONE TIME COST IN THE GENERAL FUND, I WONDER IF WE COULD ASK STAFF IF THERE IS ANY POSSIBILITY, I'M NOT CLEAR ON THE LIMITATIONS ON THE PARKLAND DEDICATION FUND, BUT I WONDER IF WE HAVE ANY CAPITAL INVESTMENTS IN, LIKE, PLAYSAPES AND THINGS LIKE THAT, IN OUR GENERAL FUND FOR THIS YEAR, THAT ACTUALLY COULD BE COVERED BY OUR DEDICATION FUND, BECAUSE WE HAVE, I BELIEVE, \$6.7 MILLION IN THE PARKLAND DEDICATION FUND.

IS THAT SOMETHING I COULD JUST ASK YOU TO COME BACK ON?

>> YEAH, WE CAN FOLLOW UP ON THAT, FOR SURE.

>>MORRISON: GREAT.

AND, THEN, THERE'S BEEN A LOT OF DISCUSSION, I'M SURE EVERYBODY'S HEARD A SIGNIFICANT AMOUNT FROM FOLKS ABOUT THE, THIS IS IN AUSTIN ENERGY, THE SOLAR BUDGET FOR THIS YEAR.

WE HAD A LONG DISCUSSION ABOUT THAT AT THE EMERGING TECHNOLOGY AND TELECOMMUNICATIONS COMMITTEE MEETING, AND WE PASSED A MOTION, A RESOLUTION, RECOMMENDING THAT WE FUND THE SOLAR BUDGET THIS YEAR AS WOULD HAVE BEEN AS WAS RECOMMENDED BY THE SOLAR ADVISORY COMMITTEE, WHICH IS ABOUT 7 MILLION, BUT I THINK IT IS A LITTLE LESS THAN 7 MILLION.

ABOUT 7 MILLION.

SO THAT IS DEFINITELY A MOTION I WOULD LIKE TO SEE SPECIFICALLY.

I ALSO HAVE A QUESTION ABOUT OUR ENERGY EFFICIENCY BUDGET.

THAT'S FUNDED NOW BY THE COMMUNITY BENEFITS CHARGE, AND IN ONE OF THE ANSWER IN THE ANSWER TO ONE OF THE QUESTIONS, IT BECAME CLEAR THAT WE'RE NOT NECESSARILY SPENDING ALL

THE MONEY THAT WE'RE COLLECTING FOR ENERGY EFFICIENCY, AND I'M CURIOUS ABOUT, ARE WE PLANNING TO ROLLOVER?

IT APPEARS TO NOT ROLL OVER TO THE SAME PROGRAM NEXT YEAR.

>> THERE IS NO ONE HERE FROM AUSTIN ENERGY .

THERE IS AN OVER/UNDER RECOVERY PROCESS FOR EACH OF THOSE, SO IF THEY DON'T SPEND IT ALL, IT AFFECTS THE NEXT YEAR'S CALCULATION OF THE RATE, AND JUST AS YOU WOULD AS WE'VE ALREADY PROPOSED THE RATE FOR NEXT YEAR WITH THE CURRENT SOLAR BUDGET, IT WILL HAVE AN IMPACT ON THE NEXT YEAR'S EFFICIENCY RATE.

FOR THE AMOUNT OF THE INCREASE IN THE SOLAR PROGRAM.

>> SO, THE CURIOUS THING TO ME IS THAT IT IS GOING UP AT ALL BECAUSE THERE IS A LOT OF THE ENERGY EFFICIENCY MONEY THAT WE DIDN'T SPEND.

>> I CAN'T SPEAK TO THAT.

>>MORRISON: I'LL LOOK AT IT IN MORE DETAIL AND MAYBE SHOW YOU WHAT I'M TALKING ABOUT.

THERE IS THINGS BUDGETED IN MILLIONS ANDING SIGNIFICANTLY LESS THAN THAT.

THEN, I HAVE ANOTHER QUESTION.

THE ECONOMIC INCENTIVES FUND THAT WE PAY OUR 380 AGREEMENTS OUT OF, HAS AN ENDING BALANCE AND A STARTING BALANCE OF ABOUT \$20 MILLION.

CAN YOU HELP ME UNDERSTAND WHY WE HOLD SUCH A LARGE BALANCE IN RESERVE IN THAT FUND.

THE WAY I UNDERSTOOD IT, WE'RE TRANSFERRING 17 MILLION INTO IT TO PAY OUR EXPECTED 380 AGREEMENTSES, BUT IT STARTED WITH 20 MILLION AND IT IS GOING TO END WITH 20 MILLION.

>> THE TIMING OF THE PAYMENTS.

>>MORRISON: THE ECONOMIC INCENTIVE?

>> SURE.

I DON'T HAVE THE FUNDS SUMMARY RIGHT IN FRONT OF ME BUT IT REALLY HAS TO DO WITH THE TIMING OF THE PAYMENTS.

SOME OF THOSE AGREEMENTS WE SET THE MONEY ASIDE FOR PAYMENTS OUT IN THE FUTURE, THAT'S THE WAY THAT THE AGREEMENTS ARE STRUCTURED.

SO I WOULD HAVE TO SEE DO WE HAVE THE FUND SUMMARY?

>> VOLUME ONE, PAGE 28.

THE PROPOSED BEGINNING BALANCE.

WE'RE PUTTING IN 17 MILLION.

THE PROGRAM REQUIREMENTS ARE 17 MILLION AND WE'RE STILL HAVE AN ENDING BALANCE OF 20 MILLION.

IT IS SURPRISING TO ME WE WOULD BE ACTUALLY SAVING THE FUNDS FROM PROPERTY TAXES THIS YEAR TO PAY FIVE YEARS OUT.

BECAUSE WE'RE DEPENDING ON THE INCREASE IN PROPERTY TAXES, INCREASE IN VALUE, SO THAT \$20 MILLION RESERVE IS SURPRISING TO ME.

>> RIGHT.

AGAIN, IT IS AT THE TIMING OF WE GET THE TAX PAYMENTS IN, YOU KNOW, THIS YEAR, AND SO WE SET THOSE ASIDE IN ORDER TO MAKE THE PAYMENTS BACK TO THEM IN THE FOLLOWING YEAR.

AS LONG AS THE VALUE OF THESE PROPERTIES CONTINUE TO GROW, THE MONEY TO SET ASIDE IN THE PAYMENT NEXT YEAR IS GOING TO CONTINUE TO GROW.

>>MORRISON: YOU'RE SAYING IT IS A CASH FLOW THING?

BECAUSE I'M NOT GETTING THIS.

IT LOOKS LIKE WE HAVE AN EXTRA \$20 MILLION.

>> THE BEGINNING BALANCE IS USED TO COVER THIS YEAR'S EXPENDITURES.

THE REVENUE WILL BE HELD TO PAY THE 2515 EXPENDITURES BECAUSE THERE IS A TIMING GAP.

THE REVENUE YOU WON'T COVER UNTIL JANUARY TO PAY THE INCENTIVES FOR NEXT YEAR.

THERE IS A ONE YEAR LAG.

IN OTHER WORDS, WE COLLECT THE MONEY FIRST IN THE GENERAL FUND, TRANSFER IT TO THIS FUND, AND THEN WE PAY IT OUT, SO THERE IS A TIMING LAG WE CAN GET YOU SOME MORE INFORMATION ON IT, IF YOU WOULD LIKE.

IT DOES LOOK ODD.

>> OKAY.

>> BUT, WHEN YOU GET IT IN THIS HAND AND WHEN YOU HAVE TO WRITE THE CHECK.

>> THAT'S REALLY THE WHOLE PURPOSE OF WHY THIS FUND WAS SET UP.

SHORT OF THAT, WE WOULDN'T NEED THE FUND IF WE COLLECT THE MONEY THIS YEAR AND BRING IT BACK.

IT DOESN'T ACTUALLY GET REBATED TO THEM UNTIL THE FOLLOWING YEAR SO WE NEED A PLACE TO HOLD IT.

>> ALL RIGHT.

I'M NOT AN ACCOUNTANT, NEVER WAS, NEVER WILL BE.

I HAVE ONE LAST QUESTION, AND I BELIEVE THERE WAS A QUESTION ABOUT PARKS AND TRAILS IN HERE.

ESPECIALLY IF THEY'RE BEING USED AS PART OF THE TRANSPORTATION SYSTEM AND UNDERSTOOD THAT WAY, THAT SOME RESPONSIBILITY WOULD TRANSFER TO PUBLIC WORKS.

PART OF THE DISCUSSION AND THE ANSWER, AND I DON'T HAVE THE NUMBER HERE, ADDRESSED FACT THAT THERE COULD BE SOME EFFICIENCIES IF SOME OF THE RESPONSIBILITY MOVED TO THE PUBLIC WORKS.

AND, OF COURSE, EFFICIENCIES SOUNDS GOOD.

I WONDERED IF THERE WAS DISCUSSION ABOUT MAKING THAT HAPPEN OR IF THAT'S SOMETHING THAT WILL BE A LONGER TERM THING THAT WE HAD TO PLAN OUT OR IF THAT'S ACTUALLY GOING TO BE AN OPTION FOR US TO LOOK AT THIS YEAR.

>> I THINK WHAT I WOULD LIKE TO DO IS GIVE OUR PUBLIC WORKS DIRECTOR AND PARK DIRECTOR A CHANCE TO GET OVER HERE TO FILL YOU IN ON THE CONVERSATIONS THEY'VE BEEN HAVING.

MANY TIMES, IF YOU COULD RESTATE YOUR EARLIER QUESTION.

>>MORRISON: OKAY.

>>MAYOR LEFFINGWELL: AND BEFORE YOU START, IN THE LITTLE BIT OF TIME WE HAVE REMAINING, ONE THING I WOULD LIKE TO DO IS GO OVER WHAT OUR PROCEDURE IS GOING TO BE ON SEPTEMBER 9, WHAT IS GOING TO BE LAID ON THE TABLE AND THE SEQUENCE OF EVENTS THAT ENSUES, AND ARRIVING AT A POINT OF EVENTUALLY ADOPTING A BUDGET WITH A NUMBER ASSOCIATED WITH IT AND THEN ADOPTING AN ACTUAL TAX RATE THAT WILL ACCOMMODATE THAT NUMBER THAT COMES OUT.

MAYBE THAT'S ALL THE EXPLANATION WE NEED.

I THINK IT NEEDS TO BE MADE FURTHER, WE'RE GOING TO HAVE A STARTING POINT AND I'M PRESUMING AT THIS POINT THAT IS WHAT IS ALREADY ON THE TABLE, THE CITY MANAGER'S PROPOSED BUDGET, AND THEN WE WILL GO THROUGH THE AMENDMENT TO THAT BUDGET PROCESS.

AMENDMENT BY AMENDMENT, AND HOPEFULLY, A LOT OF THESE YOU WILL HAVE DRAWN OUT AND QUANTIFIED.

IF SOMEBODY SAYS, HOW MUCH WILL THIS COST, EVERYBODY WILL THINK AT THAT POINT SO WE CAN KEEP A RUNNING TOTAL ON WHAT OUR PROJECTED, AS OF THE PASSAGE OF THE LAST AMENDMENT, WHAT THE PROJECTED TOTAL BUDGET IS GOING TO BE AND WHAT THE TAX RATE WOULD BE AND HOW THAT SAY WE'RE HALFWAY THROUGH THE AMENDMENT PROCESS, YOU WILL HAVE A NUMBER OF WHAT THE TAX RATE LOOKS LIKE SO FAR AND THAT WILL CHANGE WITH EACH AMENDMENT THAT'S PASSED.

>> MAYOR, IF I COULD

>>MAYOR LEFFINGWELL: COMPLICATED PROCESS.

>>MORRISON: IF I COULD ADD ON TOP OF THAT, IT WOULD BE HELPFUL TO ME AND WE DID IT THIS WAY LAST YEAR AND THAT WAS TO GET EVERYTHING ON THE TABLE, ALL THE IDEAS, ALL THE WANTS AND ALL THE WANTS/NEEDS AND ALL THE POTENTIAL CUTS SO THAT WE CAN HAVE A BIG PICTURE LOOK AT THAT.

>>MAYOR LEFFINGWELL: YEAH.

AND, OBVIOUSLY, IF THERE IS UNANIMOUS CONSENT, AGAIN, THIS IS WHAT WE DID LAST YEAR, UNANIMOUS CONSENT, WE GO AHEAD AND PASS IT, OR IF THERE IS NOT UNANIMOUS CONSENT, WE WILL VOTE ON EACH INDIVIDUAL AMENDMENT.

IT SEEMS TO ME LIKE IT WOULD BE BETTER TO GET THE REVENUE SIDE, THE REVENUE ADJUSTMENTS DONE FIRST.

I'M OPEN TO SUGGESTION ON THAT.

>> MAYOR.

>>MAYOR LEFFINGWELL: COUNCIL MEMBER SPELMAN.

>>SPELMAN: CONSISTENT WITH WHAT COUNCIL MEMBER MORRISON WAS SUGGESTING, RATHER THAN GET CLOSER ON THE REVENUE SIDE AND THE EXPENDITURE SIDE IT SEEMS WE SHOULD GET A TRIAL BALANCE FOR THE WHOLE THING.

GET THE REVENUE AND EXPENDITURE OUT WHERE WE CAN SEE IT.

IT MAY NOT TURN OUT WE'RE IN A PLACE WE'RE COMFORTABLE.

WE MAY NEED TO BACK OFF IN ONE PLACE OR ANOTHER.

IT MAY REQUIRE ANOTHER DAY OR ONE MORE DISCUSSION.

I WOULD FEEL UNCOMFORTABLE WHOEVER GETS THEIR AMENDMENT IN FIRST WINS.

>> NO, NO, I WOULDN'T ENVISION THAT AT ALL.

OBVIOUSLY THAT WOULD BE

[LAUGHTER]

>>MAYOR LEFFINGWELL: THAT WOULD BE THE BEST WAY TO DO IT, IT IS JUST HARD FOR ME TO GRASP HOW THAT'S GOING TO BE DONE.

THROWING EVERYTHING OUT THERE AND ONCE AND SEEING WHAT THAT LOOKS LIKE.

BUT, IF WE CAN DO THAT, THAT'S FINE.

>>SPELMAN: I'M ACTUALLY COMFORTABLE DOING WHAT SHE SUGGESTED.

GET IT ALL OUT THERE AT ONCE, IF WE NEED TO BACK OFF OR MAKE ADJUSTMENTS, WE CAN MAKE THOSE ADJUSTMENTS.

>>MAYOR LEFFINGWELL: CITY MANAGER.

>> WE'VE GONE THROUGH A PROCESS NOT UNLIKE WHAT THEY'RE DESCRIBING USING TECHNOLOGY, SO IT INFORM THIS PART OF THEIR CONVERSATION, WHY DON'T YOU GIVE EVERYONE A REMINDER OF WHAT OUR CAPABILITY IS THAT DAY.

WHAT WE'RE ABLE TO SHOW IN REAL TIME.

>> WHAT WE'VE DONE IN THE PAST IS HAD A STARTING POINT OF STAFF'S RECOMMENDED BUDGET.

WE WILL USUALLY READ INTO THE RECORD A NUMBER OF AMENDMENTS THAT STAFF IS BRINGING FORWARD.

AT LEAST LAST YEAR, WE HAD A LIST OF WHAT THE COUNCIL MEMBERS WANTED TO DISCUSS IN FURTHER DETAIL.

WE HAD A WHOLE LAUNDRY LIST OF ITEMS.

THEN, I THINK THE DAY OF BUDGET ADOPTION, A HANDFUL OF ITEMS WERE ADDED TO THAT LIST BUT THAT KIND OF SERVED AS THE STARTING POINT.

THEN, WE DID GO THROUGH A LINE ITEM BY LINE ITEM DISCUSSION AND VOTE AS TO WHETHER OR NOT THOSE ITEMS WOULD BE INCLUDED IN THE MAIN MOTION.

AND, THEN, AT THE END OF THE DAY, THERE WAS A VOTE ON THE OVERALL MOTION.

I THINK WHAT I'M HEARING FROM COUNCIL MEMBER SPELMAN IS THAT CREATES SOME INCENTIVE TO BE THE FIRST PERSON HAVING YOUR AMENDMENTS CONSIDERED.

WHAT I'M HEARING FROM THE MAYOR, HE WOULD LIKE TO SEE AS WE GO THROUGH THAT PROCESS, A ROLLING TALL OF WHAT TAX RATE WOULD BE NEEDED TO SUPPORT THE BUDGET AT ANY GIVEN TIME.

I THINK WE CAN SET SOMETHING UP LIKE THAT.

DEPENDING UPON HOW COMPLICATED SOME OF THESE AMENDMENTS AND CHANGES GET, I WILL FOREWARN YOU STAFF REALLY DOES NEED TIME TO MAKE SURE THAT WE GET IT RIGHT.

SOMETIMES THEE CHANGES, IT SOUNDS SIMPLE IN NATURE AND ENDS UP AFFECTING THREE TO FOUR DIFFERENT FUNDS AND WE HAVE TO MAKE SURE EVERYTHING REBALANCES.

>> EVEN LAST YEAR, WHICH WAS THIS RELATIVELY EASY COMPARED TO WHAT I'M SEEING RIGHT NOW, BUT EVEN THEN WE HAD TO DO SEVERAL RECESSES TO ALLOW STAFF TO GO BACK AND RESET EVERYTHING.

I WOULD CERTAINLY NOT BE IN FAVOR OF ANY KIND OF PROCESS WHERE YOU GOT TO A CERTAIN POINT WITH AMENDMENTS AND THEN NOBODY ELSE COULD NOBODY ELSE COULD MAKE A PROPOSAL.

I MEAN, CERTAINLY, YOU CAN GO BACK AND SAY MY AMENDMENT IS TO DO THIS, AND PART OF THAT AMENDMENT IS TO UNDO WHAT WAS DONE BACK HERE 30 MINUTES AGO.

>>COLE: MAYOR?

>>MAYOR LEFFINGWELL: IF THERE IS A BETTER WAY TO DO IT, I'M CERTAINLY IN FAVOR OF THE EASIEST WAY.

MAYOR PRO TEM.

>>COLE: I THINK THE PROCEDURE LAST YEAR WORKED.

WE HAD TO HAVE SOME RECESSES AND WE WILL PROBABLY HAVE TO DO THE SAME THING THIS TIME.

THE ONLY ITEM THAT HAS NOT BEEN BROUGHT UP, AND I CONCLUDE THAT EVERYBODY KNOWS THAT THE ARCH NEEDS RENOVATIONS, AND THOSE HAVE NOT BEEN DISCUSSED AND I WILL BE BRINGING THEM UP AS AN ADDITIONAL ITEM FOR US TO DISCUSS.

ESPECIALLY IN LIGHT OF THE FACT THAT STAFF HAS RECOMMENDED A \$600,000 REDUCTION TO THE BUSINESS RETENTION AREA.

I THINK THAT FUNDING SHOULD GO TO BENEFIT THE BUSINESS RETENTION FUND, WHICH SERVES THAT AREA, AROUND I THINK THAT FUNDING SHOULD POTENTIALLY GO, SHOULD GO FOR ARCH RENOVATIONS.

>> MAYOR?

>>MAYOR LEFFINGWELL: COUNCIL MEMBER MORRISON.

>>MORRISON: I WASN'T QUITE FINISHED.

HE CAME TO ANSWER THE QUESTION.

I BELIEVE YOU GAVE US A NUMBER BEFORE WHEN WE TALKED ABOUT CHANGING THE BUDGET FOR THE SOLAR REBATE PROGRAM.

YOU DID A CALCULATION, YOU'VE GOT THAT ALREADY IN TERMS OF THE IMPACT ON THE COMMUNITY BENEFITS, IS THAT CORRECT?

>> THAT'S CORRECT.

WITH THE \$3.5 MILLION INCREASE.

>> RIGHT.

AND THAT WOULD DO YOU REMEMBER OFF THE TOP OF YOUR HEAD?

THAT'S ALL RIGHT.

I WON'T ASK YOU.

YOU WILL HAVE THAT FOR US, I'M SURE.

>> YES.

>>MORRISON: AND THE QUESTION I HAVE, I WON'T BELABOR IT RATE NOW, I DON'T UNDERSTAND HOW, WHEN THERE IS SO MUCH OF OUR ENERGY EFFICIENCY PROGRAM BUDGET THAT WE DON'T SPEND, IT DOESN'T ROLL OVER, IT JUST GOES INTO RESERVES, RIGHT?

>> IT DOES ROLLOVER, IF IT IS CONNECTED TO THE REBATES.

IF WE DON'T SPEND ALL THE REBATE MONEY, IT WILL ROLL OVER TO THE NEXT YEAR.

>>MORRISON: I WILL LOOK AT THAT A LITTLE BIT MORE.

I APPRECIATE THAT.

JUST IN CLOSING, I MENTIONED BRIEFLY THAT AND THIS IS JUST TO HELP STAFF IN TERMS OF GETTING READY FOR MONDAY THAT I WOULD SUPPORT, WOULD CERTAINLY BE TALKING ABOUT THE REQUEST FOR A PARD FUNDING AND I THINK IT WOULD BE USEFUL TO HAVE THAT ON THE TABLE AT THE FULL FUNDING REQUEST THEY HAVE OF 4.75.

OBVIOUSLY, THAT MIGHT NOT PASS.

AND, THEN, ALSO, THE SPECIFIC REQUEST WE HAVE IN TERMS OF LIBRARIES IS FOR FOUR NEW USE LIBRARIANS SO I WANTED TO SHARE THAT BECAUSE I THINK IT WOULD BE GOOD TO DISCUSS.

THANK YOU.

>>MAYOR LEFFINGWELL: I WOULD ADD TO YOUR PARD ITEM, I BELIEVE THAT IS A FOUR POINT ITEM AND I WOULD LAKE TO SEE THAT BROKEN UP TO FOUR POINTS SO MAYBE WE DIDN'T HAVE TO APPROVE THE WHOLE THING.

MAYBE WE COULD APPROVE A COUPLE WAS PARTS AND NOT ALL FOUR OF THEM.

AND, ALL THE FOLKS THAT HAVE MADE SPECIFIC ARE PROPOSALS THAT ARE NOT ON THIS PRESENTATION BUT STAFF, I WOULD REQUEST YOU SUBMIT THOSE TO ED IN WRITING ASAP SO HE CAN START GETTING READY FOR IT.

HE'S NOT GOING TO REMEMBER EVERYTHING.

AT LEAST THAT'S WHAT HE'S SAYING.

>> WE'VE TAKEN, YOU KNOW, VERY GOOD NOTES BUT THINGS, FOR EXAMPLE, THE ARCH, THERE WASN'T A DOLLAR AMOUNT MENTIONED.

THE MORE SPECIFICITY WE HAVE, THE BETTER PREPARED WE CAN BE ON MONDAY AND THE SMOOTHER THE PROCESS WILL RUN.

WE'VE TAKEN LOT OF NOTES BUT HAVING IT IN WRITING WOULD HELP.

>>MAYOR LEFFINGWELL: MAKE SURE ED UNDERSTANDS EXACTLY WHAT YOU MEANT BUT SUBMITTING IT IN WRITING.

>>COLE: YOU WOULD RATHER I PUT IT IN WRITING FOR THE ARCH?

>> I THINK THAT IS PREFERABLE.

IF THERE IS ANYTHING YOU DIDN'T MENTION THIS AFTERNOON YOU WANTED, THAT IS DOABLE.

YOU THINK THAT'S WHAT WE DID LAST YEAR, EVERY OFFICE SUBMITTED THEIR TO DO LIST, SO TO SPEAK, ON THE TABLE BY MONDAY AND WE WERE ABLE TO BEST PREPARE FOR THAT.

>>MAYOR LEFFINGWELL: JUST TO BE CLEAR, YOU WOULDN'T HAVE TO HAVE THE NUMBERS, NECESSARILY, BUT IF YOU HAD THE NUMBERS, SUBMIT THOSE.

THE PROPOSALS MIGHT NOT HAVE NUMBERS IN IT.

>>COLE: I HAVE NUMBERS FOR THE COURTYARD CONVERSION TO THE ARCH OF 578,000.

CONSIDERABLE WORK HAS BEEN DONE BY STAFF AND OUTSIDE STAKEHOLDERS ON THAT SO WE CAN PROVIDE A LOT OF DETAIL ON THAT.

>>MAYOR LEFFINGWELL: OKAY.

>> I COULD ALSO SUGGEST, MAYOR, I'M JUST READING EXPRESSIONS, WE CAN COMPILE WHAT WE HAVE, AND IF IT IS APPROPRIATE, SUBMIT IT TO THE COUNCIL TO KNOW WE DIDN'T MISS ANYTHING.

I JUST DON'T WANT TO MISS ANYTHING COME MONDAY.

>>MAYOR LEFFINGWELL: I THINK THAT, YOU KNOW, I THINK THE BEST WAY, IF YOU MADE A PROPOSAL HERE TODAY AND YOU EXPECT TO CONSIDER IT, YOU OUGHT TO SEND IT TO ED IN WRITING.

COUNCIL MEMBER RILEY.

>> THERE ARE A FEW OTHER THINGS I WANT TO PUT ON THE TABLE BEFORE WE FINISH, IF I COULD.

FIRST OF ALL, STARTING WITH A FEW THINGS ON THE REVENUE SIDE.

DURING THE EMS PRESENTATION, WE TALKED ABOUT HOW THE NUMBERS ARE NOT REFLECTING THE CURRENT COST OF MEDICATION.

IT MAY HAVE BEEN DURING A WORK SESSION OR WRITTEN COMMUNICATION, SOMEWHERE I GOT THE RESPONSE THAT IF WE CHARGED AT THE APPROPRIATE AMOUNT FOR MEDICINES ON THE FEE SCHEDULE THAT WOULD BE AN ADDITIONAL \$600,000 IN REVENUE.

THAT IS PRETTY CLOSE TO THE COST OF THE COMMUNITY HEALTH PARAMEDIC POSITION.

THAT WOULD BE A GREAT USE FOR THOSE FUNDS.

AUSTIN ENERGY, I CARE ABOUT THE THINGS DISCUSSED.

THE REBATE PROGRAM.

ONE THING SUGGESTED, IF WE EXTENDED THE DEADLINE AND THAT PROGRAM OUT TO 2018, THERE IS POTENTIAL SAVINGS OR REVENUE OF \$385,000.

I DON'T KNOW WHETHER THERE WOULD BE A WAY TO UTILIZE THOSE FUNDS TO HELP WITH THE REBATES OR EFFICIENCY PROGRAMS, BUT IF WE COULD, THAT WOULD BE ONE WAY OF MITIGATING THE IMPACT ON THE CUSTOMER BENEFIT CHARGE, COMMUNITY BENEFIT CHARGE.

THERE IS ONE OTHER FEE I NEED TO MENTION, AND THAT RELATES TO RESIDENTIAL PERMIT PARKING PROGRAM, WHICH IS NOW WITH THE NEW BUDGET WILL BE TRANSFERRED FROM TRANSPORTATION TO THE PARKING ENTERPRISE FOR A FIRST TIME.

THE FEES HAVE NOT BEEN CAREFULLY CONSIDERED PROBABLY SINCE THEY WERE FIRST SET.

IN FACT, THEY DON'T EVEN APPEAR IN THE FEE SCHEDULE.

CURRENTLY, THE WAY IT WORKS, YOU PAY \$20.

EVERYONE GETS \$20 AND YOU GET A PACKAGE OF FOUR PERMITS.

WHETHER YOU NEED FOUR OR NOT, THAT'S WHAT YOU GET.

THAT COVERS 20% OF THE COST OF ADMINISTERING THE PROGRAM.

I WOULD SUGGEST WE GO AHEAD AND INCLUDE FEES FOR THAT PROGRAM IN THE FEE SCHEDULE, AND I WOULD SUGGEST THAT WE MODIFY THE PROGRAM.

AFTER VISITING CAN STAFF, I WOULD SUGGEST WE LOOK AT CHARGING \$10 PER PASS SO PEOPLE CAN PURCHASE AS MANY PASSES AS THEY NEED OR WANT, AND THEN, IF THE SAME NUMBER OF PEOPLE CONTINUE TO PURCHASE THOSE AS HAVE IN THE PAST THAT WOULD BOOST UP TO COVERING 57% OF THE PROGRAM COST, WHICH WOULD BE SIGNIFICANTLY BETTER THAN WHAT WE WOULD BE DOING OTHERWISE.

KEEP IN MIND THAT TO THE EXTEND, THE TRANSPORTATION FUND, IT IS GOING TO BE IN THE TRANSPORTATION FUND, SO IF WE DON'T COVER THAT WITH THE FEES IN THE PROGRAM, THAT IS PULLING DIRECTLY FROM TRANSPORTATION PROGRAMS.

THERE IS REAL VALUE IN UPDATING OUR FEES FOR THAT PROGRAM.

ON THE EXPENDITURE SIDE, THE BIG ONE IS PARKS.

I WOULD LIKE TO INCLUDE THE 4.75.

PUT THAT ON THE TABLE.

I'M PARTICULARLY INTERESTED IN THE TRAIL ASPECT OF THAT AND I THINK WE'RE STILL EXPECTING TO GET FURTHER INFORMATION ON THE WRITTEN QUESTIONS AND ANSWERS ABOUT HOW THAT COULD BEST BE DIVIDED BETWEEN PUBLIC WORKS AND IN PARKS.

I AGREE THAT IT MAY WELL MAKE, BE MORE EFFICIENT TO RELY MORE HEAVILY ON PUBLIC WORKS, AT LEAST FOR MAINTENANCE OF THE TRAILS THAT SERVE TRANSPORTATION FUNCTIONS.

WE HAVEN'T TALKED MUCH ABOUT PUBLIC SAFETY, EXCEPT FOR THAT ONE ASPECT OF IT.

WE HAVEN'T TALKED MUCH ABOUT THAT GOING BEYOND THE 47 NEW OFFICERS THAT WERE IN THE ORIGINAL STAFF RECOMMENDATION AND I DO THINK THAT WE OUGHT TO AT LEAST HAVE SOME SOMETHING BEYOND THAT ON THE TABLE.

I KNOW WE'VE BEEN VERY SUCCESSFUL, AND I REALLY APPRECIATE THE DEPARTMENTS WORKING HARD TO PROVIDE BETTER PUBLIC SAFETY SERVICES DOWNTOWN, BUT THAT HAS MEANT PULLING OFFICERS FROM ELSEWHERE IN THE CITY.

I THINK WE OUGHT TO LOOK CAREFULLY AT 36 NEWS OFFICERS TO COVER THE DOWNTOWN SO WE DON'T HAVE TO PULL THEM FROM OTHER PARTS OF THE CITY.

THE DOWNTOWN COMMUNITY COURT HAS SERIOUS NEEDS.

THEY HAVE AN ALL TIME CASE LOAD, THEY ARE DOING GREAT WORK BUT THEY'RE SHORT.

WE HAVE 270,000 INCLUDED IN THE BUDGET FOR STAFFING BUT IT LOOKS LIKE THERE IS BOTH THE DOWNTOWN AUSTIN ALLIANCE AND COMMUNITY ADVISORY BOARD ARE POUNDING TO ADDITIONAL NEED FOR REHABILITATION SERVICES.

I BELIEVE WE'RE ABOUT \$154,000 SHORT.

THERE IS A GAP OF ABOUT THAT MUCH BETWEEN WHAT IS CURRENTLY IN THE BUDGET AND WHAT THOSE BODIES ARE RECOMMENDING.

I WOULD BE INTERESTED IN LOOKING AT FULL FUNDING OF THOSE SERVICES AT THE COMMUNITY COURT WHICH SHOULD ALINE WELL WITH ALL THE EFFORTS TOWARDS PERMANENT SUPPORT OF HOUSING AND GETTING PEOPLE OUT OF A CYCLE OF VIOLENCE AND JAIL TIME AND GETTING THEM INTO HOMES AND ARE PRODUCTIVE LIVES.

I THINK THAT'S ALL I'VE GOT FOR NOW, BUT I MAY BE SUBMITTING MORE THINGS IN WRITING.

>> COUNCIL MEMBER, I WANTED TO MAKE SURE I HAD THE LAST NUMBER CORRECT.

THE REHABILITATION SERVICE FOR THE DOWNTOWN COMMUNITY COURT, YOU DID SAY THAT FIGURE IS 154?

>> YES.

THE REQUEST FOR THE ADVISORY COMMITTEE IS 454 AND 270 IS INCLUDED SO THAT LEAVES A SHORT FALL OF 154,000.

>> THANKS.

>> IF I MAY, I REALIZE THERE IS ONE OTHER THING I NEGLECTED TO MENTION, AND THAT IS SOMETHING WHICH WE DISCUSSED A COUPLE COUNCIL MEETINGS AGO IN REGARD TO THE SOUTH SHORE CENTRAL AREA.

STAFF HAS IDENTIFIED \$50,000 IN FUNDING WE EXPECT TO BE GETTING ALREADY, BUT WE REALLY NEED, IF WE HAD ABOUT \$150,000 MORE FOR THAT PROGRAM, THEN WE COULD PROCEED TO GET THE FULL BENEFIT OF THE SUSTAINABLE PLACES, PROJECT THAT IS ON GOING AND IT SEEMS TO ME IN LIGHT OF EVERYTHING THAT IS GOING ON IN THE SOUTH SHORE AREA, THAT REALLY IS A CRITICAL NEED RIGHT NOW TO PROCEED WITH THE KIND OF PLANNING THAT'S MADE POSSIBLE BY ALL THAT WORK THAT'S BEEN DONE.

SO, I WANT TO HAVE THAT ADDITIONAL \$150,000 ON THE TABLE AS A POTENTIAL ITEM THAT WE COULD FUND THIS YEAR.

SO, THAT WE WOULDN'T BE SLOWING DOWN THE PLANNING PROCESS.

AND, IMPAIRING OUR ABILITY TO MAKE USE OF ALL THE GOOD WORK DONE UP TO THIS POINT.

THAT IS SOMETHING THAT IS STRONGLY SUPPORTED BUT THE WATER FRONT PLANNING ADVISORY BOARD AND OTHERS IN THE COMMUNITY SO IT SEEMS LIKE A REAL OPPORTUNITY WE OUGHT TO BE KEEPING IN MIND.

THERE WAS A COUNCIL RESOLUTION ON THAT.

YOU KNOW WE WERE GOING TO TALK ABOUT IT, BUT I DIDN'T SEE IT INCLUDED ON THE LIST OF THINGS I PRESENTED.

>>MAYOR LEFFINGWELL: ANYTHING ELSE?

OKAY.

THAT COMPLETES OUR AGENDA, SO WITHOUT OBJECTION, WE STAND ADJOURNED AT 4:13.