

## City Council Special Called Meeting Transcript – 8/15/2014

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>> I'd like to call to order this meeting of the austin city council special session. I first want to announce that mayor lee leffingwell is not here because he has to have oral surgery, and I want to thank my colleagues for joining me this friday afternoon for this important meeting. Council member spelman and I requested this meeting to have some focus time to discuss the city's response in connection with our neighbors that are suffering from the halloween flood, and the number of options that staff has presented uswith. We passed two resolutions in may that asked the city staff to come back with a great deal of information. Options for funding the drainage facility fee, a history of the drainage utility fee, a determination how reimbursement will occur when house has flooding insurance, the results of the stakeholder meeting, options for investment and flood prevention protection and preparedness citywide, a report on gas and flood insurance enrollment and opportunities to improvement -- to improve it, a determination of whether or not the army corps of engineers would reimburse us for expenses incurred up front. We have received some of this information in july in memo format but haven't had a chance to discuss it as a council. In addition since that time t has been a legal ruling on how we assess our drainage utility fee that may require us to restructure it. For all of these reasons I thought it would be good to ask and answer some of these questions together today. With that, unless anyone else would like to make a few comments, I'll ask staff if they would make a brief presentation of the information that they have prepared. And all of staff may want to come up at this time. And after we have the staff presentation we'll hear from

[07:06:49]

our speakers and then entertain questions. >> I'm victoria lee, the director of watershed protection department, and I'm here to give you an update on our buyout project. Immediately after the halloween flood last year we -- our staff staffed a permit in flood recovery assistance center for several months and also immediately found funding to buy substantially damaged housing. I'm going to go over all these numbers in more detail. First slide. Okay. When the halloween flood happened, the onion creek flooding had its highest recorded depth of 40.15 feet, which broke the record of 38 feet since 1921. That is almost 100 years ago. With an estimate flow rate of 135,000 cubic feet per second, and four people in the onion creek watershed died due to the storm. There were approximately 750 homes flooded. Of these, 24 were completely destroyed and 92 received significant damages. On the map onion creek is the darker blue line here on the map there. It is about 79 miles long and has a span of watershed area of about 211 square miles. For your reference, city of austin is about 272 square miles. And here is a very

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high-level map of the different areas. The upper left corner shows the middle williamson. I do have some handouts I want to -- maybe it will be easier for you to see. We're on the first slide. So the upper left corner shows middle williamson, and there are approximately 72 properties at risk in the 25-year floodplain in this area. And on the right is the timber creek where travis county buyouts are ongoing. And at the bottom left of this screen is upper onion creek around [inaudible] street in the golf course where we are still trying to figure out the best way to mitigate the flood hazard. And in the middle is the lower onion creek, the focus of our buyout project. The next slide shows you very quickly the 72 houses in the 25-year floodplain. They are mainly along the meadow creek drive, harwood lane, castlewood and hedgewood drive. There's 72 of them. This is in the 25-year floodplain. And the next slide, in the lower onion creek area we have three categories of

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houses. 483 houses in the core project area, which is the highest risk area identified by the corps of engineers, and they are in brown and blue. You can click and it will show. It's animated. Yes. And the brown ones were bought before the halloween flood and the second category is the 440 houses in the five-year floodplain in kind of pink and orange. Orange. The third category is the houses in the 100-year floodplain. And we started out by our projects from the highest risk area, the core project area. We spent 36 million and bought 323 in the project area. The brown ones before the halloween flood, completed 90 [inaudible] more. So far in blue. Right after the flood and expect to total 116 by end of the year using 23.5 million. They're blue ones. And with the recent [inaudible] sunning of 10.8 million, we hope to buy 44 more to complete the buyout for the core project area. The 44 are in purple. So the total spent in the project area is over 70 million. For 140 families in the 25-year floodplain [inaudible] just approved a significant [inaudible] bond of 35.5 million in july, to relocate all the families in the 25-year floodplain. Then we have about 250 houses in the 100-year

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floodplain and [inaudible] option is what we presented in the next slide, and also to [inaudible] august the 13th through our fiscal year '15 budget [inaudible]. So here is a summary of the buyout project funding, since halloween flood. We paid cash from savings from the '06 bond projects, other capital improvement projects, an rsmp fund for 116 properties substantially damaged after the flood. And for the 35.5 -- 535 million needed in the 25-year floodplain. We proposed to council. We received approval to use a certificate of obligation bond. The annual payment for the bond is approximately 3 million for the next 20 years. You will see a line item in our budget proposal of that service. And we need an additional \$78 million for the remaining properties at risk. In the 100 years, lower onion creek area, and the 72 houses in the 25-year williamson creek. And our funding options are public improvement bonds. That is general obligation bonds, which would require a bond election and certificate of obligation, which is more than that paid by increased drainage utility fee, or to divert cash from our capital improvement program, are the thethree options that we can think of at this time. So here is the quick visual of the funding of ongoing buyouts. The impact of the 35.5 million in certificates of obligation has already been factored into our

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fiscal year '15 budget. Altogether using approximately \$105 million, we will be able to relocate all the families in the 25-year floodplain in the lower onion creek area to safer areas. The 78 million for williamson and the 100-year lower onion creek properties does not currently have a funding source. Use of drainage fee to issue additional debt would result in a 75-cent increase to the base building unit or the total increase of \$9 per year for the average residence. And public improvement bonds would result in an increase of about \$11.79 per year, the property tax bill. There are many houses in this yellow area that were substantially damaged in the october 13th, or the halloween flood, according to the fema rule houses in the 30-year floodplain that are substantially damaged cannot rebuild back without variance approved by council. We will update the council after our department's budget proposal. So that concludes my brief description of our buyout projects. >> Cole: Do you want to ask -- >> tovo: I have a very short question. >> Council member tovo. >> Tovo: Ms. Lee, can you just say the numbers again, please? 75 cents for the drainage utility fee? >> Yes. >> Tovo: The funding would res 75-cent increase for a total of \$9 a year for each household? >> Yes. >> Tovo: And the other option would result in -- I missed the monthly charge

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but an average of \$11.79 per year? >> Yeah, for property tax bill. >> Tovo: What was the monthly? I guess it doesn't matter. >> Yeah. >> Tovo: Okay. Thank you. >> Cole: Council member morrison? >> Morrison: Thank you for laying this out. I know the numbers can get confusing about what's been bought when and what's still on the table. In terms of the -- basically we would need \$78 million. When you're talking about the drainage utility fee increase of 75 cents, how long would that have to be in place to actually accumulate 78 million? Are we talking about -- >> also 20 years. >> Morrison: 20 years. Okay, and same -- and then that would be the same it we did go bonds, 20-year bonds and \$11.29 on average. >> Also the go bonds -- I think. >> Microphone? Is your mic on? >> Morrison: So the answer is

20 years also? >> Correct. >> And maybe this is an ed question. It sounds like it would be a better deal, \$9 versus \$11 and I know there's a lot of complicating factors in there and there's no way you can simply but I thought it would be good to get it on the table. >> We try to cost it out as we often do in terms of your cost year. The drainage fee for a typical customer paying the per unit dwelling fee, and on the property tax look at it, your typical homeowner is the owner of a medium value home. Commercial people pay both the fee and they pay the taxes, so it really comes down to, you know, the amount of debt service and what it's actually going to cost to do this doesn't

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change, but when you start looking at how much do commercial people pay and how much do residences pay, you get some variance there, and our analysis indicated for your typical residential homeowner it would be a little bit less of an impact if it was done through a drainage fee increase as opposed to the property tax increase. >> Morrison: Okay. And -- >> probably a couple dollars a year. >> Morrison: Right. Right. A couple dollars a year, and we're talking about the owner of a medium priced home? >> That's right. >> Morrison: When we're talking about \$11. So some people would pay more -- >> that's absolutely right. >> Morrison: Right. And then I guess I didn't hear you talk about the option of actually increasing the property tax rate to generate \$78 million over 20 years. Is that a possibility also? >> In terms of paying back debt service or actually just to cash fund this? >> Morrison: To cash fund it over 20 years, which is what -- I'm referring to the scenario -- pardon? >> [Inaudible] >> Morrison: Yeah, in the August 1 memo, talking about -- it's the August 1 memo. We could do it with tax-supported -- with -- is it possible to add .006 cents to the -- to the property tax rate and fund it that way? As a -- as a matter of our budget? >> Without issuing debt you mean? Or -- this is -- this is being -- we had to issue \$78 million of certificates of obligation. The way we work it with the reimbursement resolutions and all, the debt we're issuing now wouldn't happen this August, it would happen August a year from now, and so the debt service and the tax rate increase would occur in FY 2016, and that would be .006, six-tenths of a penny increase, we project

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a service -- and again, that would hit in FY '16 but that would be to pay back the debt service. The annual amount we could generate, we could get for you. I don't have it memorized. >> Could that be done by council in the budget process? Decide to issue those -- >> certainly, yes. >> Morrison: That's what I guess I wanted to just get clear. There's the drainage utility fund fees that could cover it. There is the option of going to the voters and asking for approval, or the option of certificates of obligation that the council could adopt. >> That's right. And we wouldn't expect the debt service between those last two options you just described to be very different at all. We would expect that the rates we're able to get, WHETHER IT'S COs OR PUBLIC Improvement bonds, voter approved bonds, to be very, very similar, not exactly the same, because they're both backed by the full faith and credit of the city's taxing authority. >> Morrison: Okay, and I'm looking at those -- the .006. >> Yes. >> You said 600? Isn't that 6,000 some. >> The current tax rate is -- or the proposed tax rate is -- depends how you talk about it. It's either 48.09 or it's 4809 per hundred dollars of taxable value, and so this would be a .006 increase. It's either 6 cents

of a -- six-tenths of a penny or -- >> I've got it now. I had heard thousands of a dollar or tenths of a penny. Great. Thank you. >> Cole: Any further questions? We'll go to our speakers. Robert kippy? >> Thank you, council.

[07:23:00]

You know, it's kind of a shame that we have to be here at 1:00 three days' notice when everybody that's affected is at work right now. So I'm really disappointed that we have to be here. However, since we are here, I don't remember going to the voting booth to vote for the \$9.6 million for the golf course that was just bought in west austin. Why? What about waller creek, the tax rate that just went up or the drainage fee? Why didn't we vote on that? You know, I have a credit card here. I'll pay the \$9 to keep the people safe from the neighborhood that I grew up in. Please keep on what you guys agreed to. Don't go back on your word. These people have been through enough. Thank you. >> Cole: Thank you, mr. Kinney. Gringo? >> Yvette griego, don't worry -- >> sorry. >> I just want to start off by saying that I'm against changing this to a bond election decision. Completely against that. The flood was a frightening event but the largest trauma in my life, I'm in the 100-year floodplain, has been dealing with the city since then. I suffer from what I would call shelter insecurity. I paid my taxes, paid my drainage fees, went through the flood, paid my flood insurance, which I used to repair my home, passed all of my inspections and then was told that I would not be issued a certificate of occupancy for my home because this is an ongoing issue for the city. So I go to bed every night not being a true owner of my home, even though my home is in perfect condition. So these are my -- these are my choices. I can appeal my substantial damage decision to the city

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and invoke grandfathering from the [inaudible] clause because my home was built in '82 and was not in danger at that time. Raze my home, for which I need permits from the city. Move my home, from which I need permits from the city. Or accept a buyout, whatever that might be, which the process has not been completely transparent for us in the community about how that goes about. When I look for a home, I looked for a safe neighborhood. I actually drove through it at night so that I could see if there was any mischievous stuff going on. I went there at night to see if there are adults hanging out in the street and my neighborhood looked great. I looked for a neighborhood where I could buy a home on a single teacher's salary. I looked for a home that was within five miles of a supermarket, where I didn't need to take a toll road or a two-lane highway or i-35 to get to work. Near a greenbelt. Had a fireplace, that was an extra. And I found it there. I didn't have to go to mueller or west austin. I find it in rb bend. So this is what I'm asking, or what I'm suggesting. That you not take this to a bond election. That if you continue to force us to take a buyout, then that you facilitate more transparency for us about the process. If the process or the offer is not enough for us to be able to stay in austin and buy a home with the same sort of amenities that you give us an option to use that offer to raze or move our homes, that you

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facilitate the permitting process for that so that we don't continue to be retraumatized -- >> cole: Can you bring it to a close, please? Your time is up. >> Yes, you are all invited to my home if you'd like to see what it's like. Thank you. >> Cole: Thank you. Tom herrera? >> Thank you for the june 26 decision to buy out the 140 homes. Today you are considering the option for the buyout. Personally, I don't think that the -- november the 4th -- I think that november the 4th would not have a reasonable chance of passage for a bond. There's not -- simply not enough time to inform the voters properly. Thank you. It will be a negative for both of us who -- those of us who worked so hard the past ten months by going to countless meetings. It will be a greater problem for those who have [inaudible] for so many months. They were trying to rebuild, short days of fall and winter and cold wet weekends, and there was just a lot of things beside the flood that impacted the problem -- that impacted the progress. So please support increased funding for the buyouts and home repairs. We should make it possible for those who suffered heavy damage last october to be able to make the choices how to carry out their lives. Problems have included living in substandard conditions, learning who has to elevate, renters' special needs, code enforcement, unsanitary health risks, and we also need to consider that another flood event this fall could certainly be a danger to the first responders.

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These problems are not with the department heads and government officials but they're generally not known to the average citizen, who hear taxes from so many directions and they're [inaudible] in so many different ways that there's a general confusion, and I do thank you. >> Cole: Thank you. Roy o'malley? Roy o'malley? >> Good afternoon, mayor pro tem, members of the council. My name is roy o'malley, and I'm a board member with travis austin recovery group. First we'd like to express our appreciation to the city council and the city staff for all their efforts they've been making for the last ten months, through the buyouts and other services to assist families in the neighborhoods that were impacted by the halloween floods. We do have some ongoing concerns in that there still are, you know, hundreds of families [inaudible] flood, who are still at risk of floods and given our violent water patterns that could happen at any time, even if they're identified as being in the hundred year floodplains. Staff also identified that a number of people -- hundreds of households have received a all right july 14 indicating that they had substantial damage in their homes, giving them until november 1, 2015 to bring those houses into a compliance with the floodplain regulations, by accepting a buyout offer, if it was available to them, tearing down the house, maintaining a vacant lot or constructing something else that would be out of the floodplain. [Inaudible] the house out of the floodplain, which would be prohibitively expensive. The problem is that in the absence of a buyout, there simply isn't funding available to be able to do those other solutions.

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People have used up their insurance money, max'd out their credit cards, went through all of their savings, they've used the assistance of friends and family, and what we found is that we had a [inaudible] called world renew come in in may. They work with disasters all across the world to do

assessments of the current situation after -- after disasters. They did a sample of 97 households in may. Of those 97 households they found 56 households that still had major repairs that needed to be done that would have cost \$1.1 million. Now, the resources aren't there. There's no money that we can spot that's in the neighborhood housing and community development budget. Lots of efforts have been made by austin disaster relief network. The [inaudible] have been in here and done terrific work. The five nonprofits that are in the home repair coalition have been working with the contract, and the neighborhood housing community development to do repairs on homes, but that money is running out very shortly. So we want to urge you to find a way to be able to do additional buyouts for the families that have been identified and to fund additional home repairs, and we really appreciate your efforts. Thank you very much. >> Cole: Thank you, mr. O'malley. Stewart hirsch? >> Thank you, mayor pro tem and members of the council. My name is stewart hairy hirsch and like most in austin I rent and I think we're really the ones that pay most of the drainage fees, not the homeowners, at least it occurs on my bill. So I'm here in support of what is mostly a homeowner community. I'm here to support additional buyout of flood damaged homes along onion creek and williamson creek. Today's posting gives us time to assess the best way to achieve these buyouts, a goal that I think we all

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embrace. I agree with those who say we should not raise drainage fees to pay for these buyouts. It's regressive taxation and it's not appropriate. I agree with those who say that we should not place buyouts on the november ballot because there's been no -- there's been no likely -- no sufficient community conversation about this proposed ballot item like there has been on other items you approved last week and we know what happens when there's not sufficient community conversation so we'd be back here next week after a failed bond. How do we help our brothers and sisters who desperately need help. Reprioritize capital improvements projected to do by bond funds this year so it becomes a higher priority. Two, capture the surplus from the increased development fees and vacancies savings and sales tax revenue you talked about for many hours on tuesday. I think the money is going to be there. Three, delay filling vacant and new positions until midyear to pay for it, and that includes in the code enforcement department because if the code enforcement department can pay to fill in a basement of a house with concrete for several thousand dollars I think it can pay to abate these code enforcement issues. [Inaudible] all possible strategies that could have been available, waller creek change orders looked like they'd exceed \$6 million and now we know they aren't. You have a creative innovation officer they can come up with the same things I do. They should be available east of i-35 just like they would have been available west of i-35. It's what we used to do when city managers propose less of a cost of living increase that regular city employees needed. I used to stand up here at secretary treasurer of local 1604 and found the money to pay for those additional things without going to boond election and raising drainage fees. So be as creative as you have in the past. Be as compassionate as I

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know you all are and pay for it in cash and repurposed bond funds and let's help people. Every time I drive down st. Elmo or [inaudible] crossing in this neighborhood it scares me when the rain starts and

what my brothers and sisters in this community might face. They deserve better. They've had better in other floods. Let's do it here. >> Cole: Thank you, Stewart. The next speaker is Lisa Fithian? >> Good afternoon. Nice to see you all again. What he said actually -- I want to say to see that, you know, we have been dealing with what has been a historical problem. And now is the time to try and make it right and not extend that problem further. I've been working -- working on the flood from the very beginning and have seen how difficult it has been for the residents to continue to go through this process of uncertainty. I've been tracking the process of how we might get out of this, and when I heard about the drainage fee, that sounded like a really good direction until that legal case came along and that seems pretty much a gamble now. I'm hearing about the voter approved bond or bond election, and what I know as an organizer, in two months trying to convince people to increase property taxes to pay for this is like an act of probably insanity. The certificate of obligation [inaudible] I've been hearing that -- seems to be a very good option. Again, I don't know the things that Stewart talked about, but there may be other creative options. We can't gamble anymore. We have to go forward, especially since we're in a place with an election and a whole new city council is going to take care of this now. There will be mitigation studies for the Onion Creek South neighborhood, but I'm concerned there are people that want to stay in the neighborhoods that they are, and they also are facing a lot of uncertainty.

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Mitigation in Onion Creek plantation at all an option? Is it? I know there's families that don't want to use. I believe buyout is the best solution but what if we don't get that money? If you go for the election this November I know we won't get it. We'll be back here, because I don't think the voters will vote for that. So I'd like to see this city council step up in its leadership, commit the money that you need now to pay for it through the certificate of obligations or any other creative solutions you can find. But let's not take it to a vote. Let's not go for the drainage fee unless you think that can get you straightened out legally and let's see if we can make this right. The residents deserve better and the city of Austin has an obligation to make it right. Let's not postpone this any further. So thank you very much. >> Cole: Thank you, Ms. Fithian. Anna Perez? >> Good afternoon, my name is Anna Perez and I'm a resident of Onion Creek for almost 20 years. I'm a flood survivor for a second time, and I find myself here again. Because I haven't been offered a buyout. You should know that survey that was conducted by the Red Cross, FEMA and the city are not accurate. The city's proposal for the buyout has raised many concerns in our community. We have many unanswered questions in regards to the homes that were recently purchased by the city. I would like to know how the houses were chosen or how they qualified, why the remaining houses were ignored. It seems racial to me. I want to know who wrote the contract or proposal for the buyout because it appears to be fraudulent. I was shocked to see the watershed department would be excluding items such as land [inaudible] garage and many outside structures from

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the original buyout. I would like to know the classification of basics, what's the reason for keeping the homeowners' insurance money or if it was just a way for the city to benefit from our losses. Now that there is no insurance money, items are going to start getting excluded. With the exclusion of these items



we'll have a huge impact in the way our homes are valued. This is crucial. You must take into consideration that our properties never gained value. We will not be able to afford to buy elsewhere. At the open house at Perez elementary, we were told to attach a ladder next to our home just in case we were to flood again. When we flood, there is only one way out. Only those who are in the water know how strong that current was. You have the same possibility of being washed off in your car or while trying to get to the ladder. With all these additional things we have to purchase, I will not be able to bring my home to comply, especially if I have to raise my house 5 1/2 feet. I can't rebuild my house every ten years. As competent, efficient people, as people who are in charge of making responsible decisions and in responsible positions, I ask that you focus your attention on our neighborhood and approve the general -- the financial resource to purchase the remaining homes. I would also like to show you the backpack that we can't at the life rescue device, and I just want to tell you that this was humiliating for everyone in our neighborhood.

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The only thing -- the only thing that's missing here is the weather radio, which didn't work for me. I have real bad reception in my home. That would never get me an alert in time. So my family and I would have to probably go up on our roof again and wait. To me, the only way out is to find funds from wherever and buy everybody out. These are humans. We're people, and we need better from you all. Thank you. >> Cole: Thank you, ms. Perez. Next we have Isabel Rios. >> Good evening, my name is Isabel Rios, just a concerned neighbor. A nosy neighbor. Being here before you many times I was very upset to hear this come up. I am really distressed. I'm here to ask you to act now. I'm going to kind of echo what everybody has been saying. We cannot keep waiting. To me this has been like a [inaudible], one already, this is the second one. We cannot keep risking people's lives. This is ridiculous. When I saw -- when I went to one of those neighborhood meetings, I picked one of these backpacks, just to be curious what was there. And when I opened it up, I got home, I opened it up, I saw the contents of this backpack, four electric blankets, one [inaudible], okay, a radio, from the national weather service that does not work, okay? I can see how that could save some lives, but wait. [Inaudible] and a blow stick.

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Seriously? And then to hear from homeland security officers that my neighbors have to put a ladder and wait for hours before they're safe again or they're rescued? Are we [inaudible] for that? I met this little kid that was saved by a nail, a nail. He was rescued by one of our neighborhood boys. They had to [inaudible]. We are playing for people's lives. I am completely outraged. I'm going to ask you to look elsewhere for funding, and I would like for you all to think about equity. What has happened with Waller Creek where they had to be dragged for months [inaudible] they had to [inaudible] those neighbors when they were flooded before they got some kind of aid? [Inaudible] Sheryl Cole. She was a champion for that project and I would like to see the same enthusiasm, helping our neighbors. I would like for you to put yourself again in the shoes of my neighbors, waiting for months for some answers, [inaudible] with the weather conditions, plastic [inaudible] you've seen them. Your kids, your grandparents, this is ridiculous. You were elected -- when you were elected you took a vow to serve our community to the

best of your abilities. I am going to ask you to act [inaudible]. Thank you. >> Cole: Thank you. Thank you, ms. Rios. I did want to add to your comments that the waller creek project is being funded through a tax increment financing system,

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and also funding for the waller creek tunnel in the early years. It wasn't enough, went to the voters. Next we have annie harton. >> Good afternoon. My name is annie harton and I'm with onion creek plantation neighborhood watch program, gava, targ, and austin interface. I'm a member of abiding love lutheran church. I live on dixie drive, which is in the area affected by the halloween flood. Among the tarred board -- I'm on the targ board and the education committee with the long-term flood recovery. We're really concerned about a solution to funding the buyouts in the 100-year floodplain of the onion creek and williamson creek of southeast austin. This is an immediate necessity that can save lives. There are hundreds of families at risk, and that risk can be at any time. You can't plan a flood. We understand the concerns about using the drainage fee, but there's got to be a means or way to do this buyout with us going to a bond election in november. We feel there's not sufficient amount of time to educate the public to have a successful bond election. This situation is one that should have been dealt with years ago, like in 2003 when some of the initial studies were made at that time. As a leader with austin interfaith I'm proud to say that my church, abiding love, will be hosting a mayoral forum in october.

[07:47:33]

[Inaudible] district 8 and our members in district 5, so we'll be also inviting those council candidates to that event. Austin interfaith has an agenda, of ten budget priorities for year 2014-2015, which I think has been passed out to you. In summary, there are 2.2 million for [inaudible] school programs to improve academic opportunities. 1 million to summer youth employment to increase summer opportunities for at-risk youth. 350,000 to capital idea to fund an additional 50 austin adults for job advancement. 75,000 to austin groups for the elderly for senior day care, while their caregivers are working. 30 million for park to upgrade parks and pools, to add restrooms and fountains. 4 million to libraries, 1 million for bilingual literacy, 3 million to increase children's library staff with emphasis east of 35. 10 million for affordable housing construction, strengthening the code compliance to improve safety and affordable housing. 78 million to disaster relief to buy out the most at risk houses in the onion creek 100-year floodplain. This item I think is the most urgent of all. >> Cole: Thank you. >> Thank you very much. >> Cole: Thank you. Mr. Dick carone? >> Thank you for hearing the citizens. It's very important that you

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take this in very deep today and think about it, that these people that you're buying out, the 240 that are left, complete -- that a study said in 1997 paid for and commissioned by the city, 840 homes should be purchased. And that's way overdue. And this was complete that. Take these people out of harm's way and settle their nerves once and forever. We just sent out over -- the city did, 400 letters, substantial letters of damage to homes. Puts these people again in anxiety. They've got to do something

by january -- I mean, november 1, 2015. The city has always been creative in finding financing and I know you can do it again. It's important that we complete this, and complete it with this -- whatever source that you feel you have to do, but I think that you can find it. You have on other occasions whenever something has come up that's very needy for the city. This is very needy for these 240 homes that are left. Thank you very much. >> Cole: Thank you. That is the end of our speakers. Are there further questions? Council member martinez? >> Martinez: I just have some comments and maybe a question or two. First of all, I want to thank those of you that were able to make it here on a short notice friday afternoon. I certainly support a public process and public input, but posting something at such a last-minute in the middle of the afternoon on a friday isn't really about process, I don't think, in my mind. You know, it's interesting that -- I find it interesting that our local newspaper is calling for this bond election, yet a few days ago the same editorial board suggested that we come up with \$36 million for a homestead exemption that benefits the

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wealthiest the most in our community with no vote at all, only a vote by the citizens. But yet when it comes to our most vulnerable citizens, those that are most in need that we know are in harm's way after 15, 16 years of a study, they want us to take it to the voters of austin. I came up with the proposal for the danger user charge because that was an option. That was an option to get the conversation going. We've seen the court ruling, we've seen the impact of the drainage user charge. It's probably not a viable option. It's still an option, though, even legally it's still an option. But the other option is we've already had -- we have a budget in front of us that's lower -- that lowers the tax rate by 2 cents, and staff is telling you that to come up with the debt service that's needed for \$78 million we would need to raise that proposed rate back up .6 of a penny on the tax rate, which means we are still lowering your property tax rate this year and we're buying out all of these homes that are in harm's way. I think that is certainly a viable option. The other is exactly what mr. Hirsch mentioned. What is it going to take in our budget to find .6 of a penny to create that debt service? And so, ed, I want to do ask a question about that. What is .6 in the tax rate on an annualized basis? >> If you're okay with just kind of back of the neck and mental math, about 5 1/2 million. >> Martinez: Okay. And so we'd need to come up with \$5 million -- 5 1/2 million in this year's budget or do the .6. I mean, that -- for the statesman to be -- I realize that there are things that need to go before the voters, but there's -- there's also something else that goes before the voters, and that's our elections to get this body up here to repre you all.

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And every thursday we vote on tens of millions if not hundreds of millions in projects and it doesn't go to the voters. It comes to us. We're elected to represent you. And that's what we should do in this case. , You know, waller creek did go to the voters in 1998, but it the voters only approved \$25 million. It went back to the voters in 2012, but the voters only approved \$13 million at that time. Then this council, without a vote of the public, created a tif that creates \$173 million in revenue for waller creek, without a vote of the citizens. And this year ablg and this year we've had 16 sentence more for the drainage user charge, which is what I proposed to use for the buyout, and nobody is calling for a vote of the citizens of

the no one is saying, you know, that's too substantial, it's too much money for the citizens not to weigh in on. I just find that flabber gassing and insulting, quite simply. You know, we worked on this and the mayor has worked on this and previous mayors have worked on this to try to receive funding from fema and other sources, and they've done a good job. We've made some progress. But when you see the devastation of the halloween floods of last year we can't just make progress when and wherever we can. We can't wait for that next event to happen. We have an opportunity, and quite frankly we have an obligation in my opinion, and that obligation is before us this budget cycle, and I daresay I am fully prepared to raise the tax rate .6 cents or cut the budget by 5 1/2 million dollars and use that annualized revenue to pay down that debt. I don't know what it is that will be cut, but I promise you you can find something, and maybe it's vacancy savings. Maybe it's a higher

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projected sales tax rate. There are millions of ways that we adopt a budget each and every year and find the necessary revenue to reach the priorities that we have in the budget. I just wanted to -- I wanted to talk a little bit about things that we haven't talked about that some of the speakers brought up. What happens if we don't 57600 it's too much work. We don't have the code staff to do that. It's not baked into this year's budget either. So it's probably a rhetorical question from my perspective, but what happens in november of 2015 if we don't identify buyout funds and if they're not able to get a variance from the city of austin, what happens to all of these homes? Can anyone answer that? >> We'll continue to find any funding that we can in trying to create different solutions, but at this point we are at our wits' end. >> Martinez: Right, but so we have given them a letter stating that they must be in compliance by november 2015. Is that correct? >> I'm [inaudible] assistant director what watershed protection department -- >> martinez: Can you turn your microphone on so everyone can hear you?

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>> Jose guerrero, assistant director of watershed protection department. The letters were sent out to begin the process of compliance, not to be in full compliance. So we will be working with citizens on their options but without the -- funding will have to be found elsewhere and it may take years or a longer length of time to completely remove the flood risk. >> Martinez: My understanding was that we told those residents that they must be in compliance with existing code by november of 2015. >> [Inaudible] my administrator kevin shock to confirm that if -- if the process must begin by that time. >> Martinez: Sounds like we have a resident who spoke who is in complete compliance but yet she can't get her certificate of occupancy because of the ongoing conversation. >> Thank you, kevin shock, watershed protection floodplain administrator. The substantial damage letters that we sent out were kind of separated into categories depending on what portion of the buyout program the home was in. And for the homes in the 100-year floodplain, lower onion creek, and for the homes in the golf course community, onion creek subdivision, the letter stated that they have to begin the process to bring the property into compliance by november 1, 2015. >> Martinez: Thanks, kevin. I appreciate that. So the bottom line is we're -- you know, the clock is ticking, literally, and we've given them that notice, and so we have until november of 2015 to make right. But I think we can do it by september of this year

through our budget process. The process will take some time, and as we all know there will always be glitches and issues that come up, but I think if we can get an affirmative vote of this body to either cut the budget to come up with the 5.9 million or raise the tax rate to come up with 5.9 million, that is the most prudent and best option available to us, and quite

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frankly, to the residents that have been needing our assistance. And we've done some good work. Again, I don't want to say we haven't. But if we let this opportunity go, and I'm calling it an opportunity, and I'll tell you why. Because in the fire service, being a firefighter, you're always -- you know, you're pushing forward for better safety measures for firefighters. You're -- more staffing, four firefighters on a fire truck, but you always run up against governments and bureaucracies that say, it's expensive, we'll do it as we can, we'll do it from time to time. The minute a firefighter dies in a fire all of the elected officials and all of the community wants to come forward and say we need to move forward with this. So you take that opportunity, even though it may be tragic, there's an opportunity before us. [One moment, please, for change in captioners.] >> BY ISSUING COs AND RAISING Attaches by 0.6 centss per \$1,000 of valuation and costing \$5,000 more a year, more or less. And put a pencil to it and get the exact number, would he have the authority to that without risking triggering a rollback

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election? >> Spelman: It's debt service and I need to reclarify since you called me up here, this is not a fiscal year 2015 budgetary issue. We would not ask you to increase this, this would be coming in the 2016 budgetary implication because of the resolution process and the timing when we would issue the debt, that service would not begin until the fiscal year 2016. Though if council approved the appropriation, we would be able to begin work on the buyouts immediately. >> Spelman: But we couldn't get the cash to pay for them until 2016. Explain to me what we would be able to do. >> There would not be a limit, you're familiar with we do a reimbursement. If council wanted to go try to -- amend the capital budget by \$78 million by september 8th and we would state our intent to reimburse ourselves for expenditures that occur as part of a future debt issuance. That would most likely be august 2015 and the debt service would begin if fiscal year '16. It's how we ham almost all of our debt issuances. >> Spelman: Suppose we wanted to spend \$78 million between now and the point our debt is issued. Can we? >> No, it would be backed by our investment pool, which is significant. >> Spelman: We could put it on a credit card, buy it nowen pay for it over the next 78 years. >> I would call it more of a savings card than a credit card. [Laughter] >> Spelman: Thank you.

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>> I wanted to share my thought, it's a good question to ask. Is this something that should go to the voters, and I certainly have given that a lot of thought and I think, you know, where I come down is that -- and we have heard what happens if we go to the voters and it doesn't pass. I don't think that's the right question to be asking. I think the right question -- can I say that we'd be in trouble because I don't

know what would happen to those people. Eventually. If the city is not going to step up and say, we're going to work with these people to get them into -- excuse me, out of a dangerous situation, it's a public health and safety issue. I think the question is is it the responsible and right decision for this council to make, to say, yes, we want to invest and this is a citywide issue, we take care of our neighbors and we're not willing to let people -- I mean, I can say that the one email that we got that really stood -- made me stand up and think personally about what it would be like to be living in this situation, was -- with no known outcome and way to get out of it is the one the subject line was rats and snakes. We have people living in our community, these are our neighbors. And I -- so I want to say that I agree with my colleague councilmember martinez, because I want to clarify one comment. He said this council approved the test. Not this exact body, because I was down there when the council was approving the test and we need to remember that it was -- you know, the man is that we would build a tunnel that would increase the value of the property there and generate more taxes and that would allow us to come back and pay for it.

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25 million was approved by the voters. There was a -- a calculation that said we'd be able to get enough money through that tax increase and, in fact, the valuation estimates were based on the analysis that said that taking this property out -- downtown, 28-acre, out of the 100 year floodplain, not just talking the 25, it's the 100 year floodplain. The increase in value was \$3.2 billion to the property owners and we didn't ask the property owners to participate in the -- what turned out to be \$150 million tunnel. And, in fact, those assumptions didn't quite work and I think it's \$16 million of the -- of the cost of construction is coming from the drainage utility fee. And there's going to be an ongoing rcip plan shows over the next five years, again, \$4.2 million going to o and m for waller creek. That's great we can revitalize downtown and found a funding mechanism but it's a double standard. We can be creative when it comes to taking property out of the floodplain downtown, but we can't be creative and find ways to make it happen for the safety of our residents. So I'm very supportive. I think \$5.5 million is doable. I'm going to be proposing we raise the temperature in all of the city buildings to 76, I'm not kidding. [Laughter] if that's what it takes to be able to do this, I think -- I can stop wearing a sweater, for crying out loud in august. So let me say I'm going to be fully supportive of working hard and we'll roll up our sleeves

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and find ways to make this happen and I think that's the appropriate thing to do. >> I want to say that waller creek was also funded in part by the county. Where the city put in 100% of the increase in proposed property tax increases and the county put in 50%. So -- and it did go to the voters but not for the full sum and we have issues still for some of the surface improvements. But I really want to point out a couple of things and this is the reason this issue rose to significance for me. And that is that there are 65 watersheds that are wholly or partly within the city limits of austin. According to the national climatic data center, texas leads the nation in flash floods and between 1959 and 2008 had three times the number of fatalities as the next leading state and approximately 77% of all of those fatalities occurred in vehicle. So flooding is the most common hazard for the central texas area and 60 people have died in

flash flooding in travis county SINCE THE 1960s. We actually studied and did a master plan that states that those 17 -- 17 of the watersheds in 2001, the number of inhabited structures at risk within the city of austin was estimated that the time to be 8,000 buildings, putting as many as 20,000 people at risk of high floodwaters. So, to me, this is a citywide

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issue. And I totally sympathize with the individuals in onion creek and all of their loss and I couldn't agree more that we need to do something. The only question is: What do we do, when, and how do we do it fast enough? I want to point out which I think is one of the most significant issues and that's -- I asked for options for investment in flood prevention protection and preparedness, citywide and I understand that memo has been issued but I don't know what's in it and it's been issued since we've been in this meeting. Do you know anything about that, victoria, or what that number is? >> Which one. >> Cole: The flood prevention. We know that people are suffering from flood risk, not only in their homes but also because they're in their vehicles and because they don't have early warning systems. And I wanted to know and requested in a resolution the number, the dollar number that it would take to do something about those problems. >> Yes. We are trying to -- the equipment that would gauge the height so that we can get the correct data into our flood warning models and we have already spent -- I don't remember -- maybe jose can give you a more accurate number. >> The information is as follows. Improving the reliability of our flood warning, an amount of \$100,000. Hardening the existing gauges in cooperation with the usgs, \$75,000. And install the gauge, \$100,000. Flood warning system evaluation study we would like to evaluate it evaluate, it would like to

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make the systems better. 400,000 item there. And making the flood monitoring software dashboard movements, another \$300,000. >> Cole: And these are citywide numbers? >> Yes, yes, these are our -- our system is city wide. And the cities and counties as well. Installing traffic cameras and in addition to traffic, \$150,000. Joining with the transportation department. And installing improving or back end data server hardware the another \$10,000 there. We've investigated sirens the mount has the idea of sirens. We don't recommend that solution at this time. And those are the types of improvements in addition to our normal flood control capital improvement program annual budgeting that goes to our highest priorities -- priority projects and on an annual basis we're continuing that as well in our cip side of our budget. >> Cole: I'm calculating that to be just under \$1 million. That's the numbers you gave me. 400, 600, 300. >> Again, flood early warning systems, is that the specific category you're asking about? >> Cole: Yes, I'm asking about -- we have a flooding issue throughout the city and I would like us to be able, while we have this discussion to be able to talk about preventive measures, not just for onion creek, but they need it, but as a city as a whole. >> Yes. >> Cole: And the number you gave me, is \$175 million. >> More or less, yes. >> Cole: 1.5 million. >> More or less, yes. >> Cole: Any further questions or comments.

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Councilmember tovo. >> Tovo: Can you tell us why you're not recommending sirens? >> Sirens are used across the country for tornado warnings and the message that citizens get when they hear a siren is shelter in place. >> Tovo: Oh. >> Is that the message we want to send with a flood siren. In the onion creek neighborhood that probably wouldn't be the best decision to shelter in place. To climb to safety. If a citizen were to get in their car and get caught in a more serious emergency, it's all about the messaging of what a particular siren is. We prefer the weather radios, because that's a siren that is activated when the storm is occurring and gives much more lead to time and in the warning, the families -- anyone that's using those. >> Tovo: Makes sense, thanks. I appreciate this issue raised for discussion. I think it's especially important given the other conversation we've been having this week, putting the urban rail out for voter approval. And as I mentioned yesterday, I would like to see us put the road projects as they come forward out for specific voter approval because I think we have an obligation to be as transparent as possible. That being said, I really -- for me, this is quite a different issue, and it's distinction because we're dealing with a matter of great urgency and life and safety issue and for those reasons I support the path we've embarked on of identifying money in the budget, considering the certificates of obligation and the other debt instruments and options that we have, because again it's a matter of health and safety that we help the residents of onion creek. Get to more stable secure

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housing as soon as possible. >> Cole: Further comments or questions. Councilmember riley. >> Riley: I would like to ask a question about the prospects for additional federal help with these buyouts. Can we get an update on the prospects and whether -- to what extent they would be affected by the options before us. >> We have a program agreement that we're negotiating with the core right now -- with the corps right now, we expect to bring that to your last meeting this month. That agreement will set out the parameters and we expect that will allow the \$10.8 million to come toward the buyout. Either through the corps doing it or through the city of austin doing it. And we expect to be reimbursed but for our expenses above our committed section of our share of the -- of the corps' project. Our 20 plus million, 23, 25, I can't remember the exact amount. But above that, we expect to be reimbursed. The local district has stated that they prefer that, sent that to headquarters in d.C. And d.C. Has endorsed that. It's sitting now at the assistant secretary level -- assistant secretary of the army over and that's secretary darcy who has seen the project, she came out here and looked at it. The mayor has met with her on at least two occasions, so it's in her hands about whether or not

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we're -- we can be reimbursed for that money that we've spent before the agreement is sign. I think we have a good chance of having that signed. There's another issue, though, and that's the timing. We found out this week that we may not be reimbursed for expenditure over our mandated share until after the project is completed. We will be negotiated with the corps to try to get them to give it to us now rather than later but that's where we are at this moment. >> As we look at the \$78 million, that remains unfunded that we're struggling with now, the fund you're referring to, is it any go to the \$78 million or is that toward the other amounts we've already -- >> it could. The reimbursements I'm talking



about would come to us. And it would go in -- into our drainage utility. Which is where we've paid for our costs up to this point. And so, we could, then, use it. We could devote it to that \$78 million, to whatever extent we got reimbursed. Some indeed could. And then the corps will be -- on an annual basis, the 10.8, part of that will go to the coin, but presumably -- to the county, but about 9.8 or a little bit more will come to the city for buyouts. >> The 10.6 comes to us. >> It would -- >> and -- >> victoria corrected me.

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>> Riley: I appreciate the information and hope we continue to seek federal funding to the greatest extent we can but regardless, I agree with my colleagues that this is an urgent necessity we need to address and I frankly don't know what we would do if we put it on the ballot in november and it failed because we could still have the same public safety issue to deal with and the additional problem of the voters having said they didn't want to fund it through g.O. Pond bopped and would have to -- g.O. Bonds and if we can acknowledge it's the problem that the city has to deal with, we need to step up and figure that out now. >> I acknowledge this is a issue the city has to deal with. I would remind my colleagues that the affordable housing bond failed the first time at the ballot and we went out again with more information and a stronger voice and convinced our citizens to pass it. I would also say that the few items where we have went to the voters on flood control issues, they have passed and passed overwhelmingly and I believe that this city is fully prepared to help out our neighbors in onion creek and have no reason to doubt that or wouldn't have -- or I wouldn't have brought this issue up. Finally, I'll just say that my concern with the citywide issues is because if we went out to the voters I would definitely want to put those other items on the ballot so that the community would be invested in the bond as a whole for all the floodplain issues we have. But I can certainly tell that my colleagues do not share this view and as presiding officer, I'll not be making any motions, and I'll simply ask -- and

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because my colleagues did not share this view, I will certainly be a part of the budget process in trying to aid the onion creek victims. Is there any further comments or discussion? >> Do we need a motion to take no action on item one. >> Yes. >> I move to take no action on item one. >> Second. >> Cole: A motion made by councilmember bill spelman and seconded by councilmember laura morrison that we take no action on item one,. All in favor, say aye. Aye. Opposed, no. >> No. >> That passes on a vote of 5-1. We have another item in executive session but that clears the table for everyone else so I'll read the script to go with the closed session. The city council will go into closed section to take up one item and consult with legal council regarding the following item. Discuss legal issues related to poole versus city of austin. Is there any objection? Hearing none, the council will now go into executive session.

[09:30:00]

12k3w4r506. 6:01 p.M. On tuesday august 12, the urban transportation, first we have the approval of

minutes from july 8.