

City Council Budget Adoption Transcript – 09/08/2014 (recessed) and 09/09/2014

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[03:39:32]

>> Mayor Leffingwell: Good morning. I'm austin mayor lee leffingwell. A quorum is present so I'll call this austin city council budget meeting to order at 9:40 a.M. On SEPTEMBER 8th, 2014. We're meeting at the town lake center, 721 barton springs road, in the assembly room. A couple of notes before we get started. First of all, four of us have a campo meeting at 6:00, which I personally would like to plan to attend, so tentatively what I will plan is, with council approval, of course, is to go into recess no matter where we are at 5:00 p.M. The other thing is there will probably be an executive session on the bull creek matter. The bond counsel can't be here until after 1:00 p.M. So we'll plan on discussing that matter in order, it's item number 14. And likely, likely would not get to it at all today. Probably after we go into recess and come back tomorrow. Councilmember morrison.

>> Morrison: Thank you. Given one of the sponsors of the bull creek resolution will be gone after 1:00, I can't imagine in order we would get to it before 1:00 so I would like to suggest we do a time certain of tuesday at 9:30. Or I'm open to other suggestions, but

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>> Cole: Mayor?

>> Mayor Leffingwell: We can make that decision later.

>> Morrison: I guess I would like to get assurance that if we don't get it between 1:00 and 5:00 today with councilmember spelman off the dais.

>> Mayor Leffingwell: If that's okay with council, we will not take it up between 1:00 and 5:00 today. Councilmember martinez.

>> Martinez: Is there any appetite for allowing the citizens to speak today that have shown up or are we going to ask them to come back tomorrow?

[03:41:39]

>> Morrison: I think they would come back tomorrow, but I'd be happy to hear them today.

>> Martinez: I'm open to that. But if they are willing to come back tomorrow.

>> Morrison: It's my understanding they could come back tomorrow. And mayor, we're scheduling executive

-- are we going to go into executive session on bull creek?

>> Mayor Leffingwell: Yes.

>> Morrison: And if there is a way for that to overlap with my colleague, councilmember spelman, that would be helpful also.

>> Mayor Leffingwell: Well, I understand councilmember spelman has to leave at 1:00, and my -- also my understanding for now, that could change, is that the bond counsel will be here at 1:00.

>> Morrison: I see.

>> Mayor Leffingwell: What we could do, we could do the executive session tomorrow before we take the item up.

>> Spelman: I would prefer that, mayor.

>> Mayor Leffingwell: Mayor pro tem cole I would like to direct staff, I know there have been discussions going on about the purchase of this property and us conducting all of our due diligence, so while we postpone this item, I would hope we would continue

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>> Mayor Leffingwell: We're not postponing it. We're taking it up in regular order, but we won't take it up today.

>> Cole: Today because we're not taking it up today and we will hear public testimony tomorrow and make a decision tomorrow or wednesday depending on how it goes. I would like to instruct staff to continue its negotiations and due diligence because I'm concerned about that process.

>> Mayor Leffingwell: The reason we're not postponing it is because I would anticipate we would go into recess at 5:00 p.M. And continue this meeting at 9:30 tomorrow morning. Councilmember tovo.

>> Tovo: Can I just throw out a suggestion. I think we might be well served to have at least a short executive session today if we could do it before councilmember spelman

-- is there any interest or do you think we're better off having one executive session tomorrow. I'm just wondering if based on our conversation last week if the staff might not have additional information and that may generate more questions they could have answered for us by tomorrow. If we had time for a short executive session before councilmember spelman leaves, that might be

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[03:44:04]

>> Mayor Leffingwell: Without the bond counsel?

>> Yes, without the bond counsel.

>> Mayor Leffingwell: We'll see how that goes.

>> Tovo: Co-sponsors, are you comfortable with that or would you rather just

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>> Spelman: I'll comfortable with it. If there's questions for the bond counsel, obviously they should wait, future things we need to put on a parking lot list of things for staff to answer.

>> Tovo: I would request that happen before councilmember spelman leaves. I also do see some members of the community who kind of raised their hands when we talked about hearing from them

tomorrow.

>> Mayor Leffingwell: We should take it up before then. Before 11:00. So on August 28th and SEPTEMBER 3rd, COUNCIL Took public comment about the city's proposed budget and the public comment part of the budget hearing was closed on September 3rd by a vote of the council. On those dates council also held and closed two public hearings the law requires for the tax rate. We will now conclude the hearings by discussing and voting to adopt the city's budget and actual tax rate for fiscal year 2014-2015. So we will now take up the budget. Any addition, change or deletion to the proposed budget that is not accepted unanimously will require separate action on the council. By that I mean we'll follow the procedure that we started last year as we go through the amendment process. If there is a motion to adopt and then there is an objection, we'll proceed to a vote. If there is no objection, the proposed amendment will be adopted. So this will give the opportunity -- council the opportunity to walk through with the staff the economic effect of each individual proposed change to the budget. And I'll say without objection my procedure today as we go to council proposed amendments will be to rotate through the order, starting with myself and then going through places 1, 2, 3, 4, 5 and 6. So item 1 is an ordinance adopting the city's operating budget for f.Y. 2014-2015. And we'll now have a staff presentation of staff recommended amendments. Staff will ask that the council adopt these amendments. Go ahead.

[03:46:39]

>> Thank you, Mayor. Ed van Eenoo. I will be providing a short list of amendments to the budget that staff proposed TO COUNCIL ON JULY 31st. These amendments are no different than what we included in your budget binders on the August 29 update. I'll read through those quickly and there are a few things I wanted to cover with you all and mention one item on the agenda before we get started. So first of all, if you go to tab a of your binders, I'll give you a moment to find there, and for the members of the media, public, staff who are in attendance, we have passed out all of these summary sheets. You can go to the summary sheet labeled tab a. Items 1.1, 1.2 and 1.3 all pertain to number 1 on your agenda, taking action to adopt the city's operating budget. They would result in a slight increase in Austin energy related revenues due to change in the power supply adjustment and they would result in \$18.9 million decrease in Austin energy revenue related to changes in their regulatory charges. Those are the revenue changes that would be adopted. We would recommend as part of this budget in order to get Austin energy into compliance with the 2% affordability goal. The items, the fee changes, council would not be taking action on those until item 3 which is adopting the ordinance. Staff would offer up items 1.1 through 1.3 on this list as amendments to our operating budget. Real quick, I think a couple things I did want to mention, this morning we passed out to the councilmembers a list of tab b in your agenda. Tab b are all the items we heard from council over the course of many months of budget deliberations and with the particular flurry in the last week of funding requests to be considered part of our budget adoption proceedings. What's in the book is those items listed by the date we received them. We also handed out the same information but sorted by councilmember. We thought it might make it easier to find your individual items. So I wanted to mention that. While we did do our very best, we had changes coming as late as Saturday afternoon to that list and pushed it out Sunday. If there is anything staff missed, we would apologize and when we get to these council initiated amendments, council may want

to first determine if anything was missed and if there is anything that still needs to be added to the list.

[03:49:28]

>> Mayor Leffingwell: Mr. Van eenoo, I would add councilmembers are free to add amendments that are not published on this sheet. Just to make sure that's understood. Whether it's there or not, you can still propose it.

>> Then the final thing I would like to mention before I turn the meeting back over to you is item number 11 on your agenda is one that's not normally on an agenda. The reimbursement resolution that we needed to be noticed for in the event that council so chooses to amend the operating budget for those items. Item 11, if council does not amend staff's capital budget, staff's recommended capital budget for the items listed in the reimbursement resolution, we don't need item 11. But if council does choose to amend the capital budget for those items we needed to be posted for the resolution. Item 11 will depend upon what action council takes earlier in the process. Staff would offer to council our recommended budget, 1.1, 1.2, 1.3.

>> Mayor Leffingwell: I would like to take those separately. So on item 1.1, is there any objection to adopting the staff recommendation? Councilmember morrison.

>> Morrison: Do we need a main motion on the table? I'd be happy to [inaudible].

>> Mayor Leffingwell: We need to get the main motion on the table first. Is there a motion to adopt the operating budget?

>> Morrison: Yes, mayor, so moved.

>> Mayor Leffingwell: Motion by councilmember morrison. Seconded by councilmember spelman. And so now we go to the proposed staff amendments first.

[03:51:33]

>> The first of those amendments would be tab a, item 1.1, increase austin energy by 500

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>> Mayor Leffingwell: Is there any objection to that? Hearing none, that item is adopted. Item 1.2, I will object. And I would make the alternate motion that we maintain the property tax revenue proposed amount of \$352,498,522 and reduce the property tax rate by .11 cents.

>> Mayor, I believe the item you just read, my understanding is correct, that's an amendment you want offered.

>> Mayor Leffingwell: Yes.

>> When we get to tab c of the document.

>> Mayor Leffingwell: I was reading one point

-- well, that is 1.2.

>> I apologize, there's a tab a with a 1.1, 1.2, tab b, tab c. I believe what you was under tab c.

>> Mayor Leffingwell: Disregard. Let me correct that. All right, so the suggestion by staff was that we operate tab a proposed amendments 1.1, 1.2 and 1.3. Is there any objection to that? No objection, so those are adopted. Go ahead.

>> So then mayor, I believe we would move on and want to take a look at the council initiated potential

amendments to the budget, moving over to summary tab b. Items number 1.1 through 1.50 are council's initiated amendments to the city's operating budget. As you continue to look down, as you continue to go down tab b, you eventually reach an item that's called capital budget amendments. Beginning I believe on the third page there. So items 2.1 through 2.9, those all pertain to item 2 on the agenda, capital budget, and items 3.1 and 3.2 will pertain to the fee schedule. Really the action we need to take place in order to get item 1, the operating budget, adopted would be to work our way through tab b, items 1.1 through 1.5 to see if council supports adding those amendments to the budget. A counter part to this is tab c. That's where council directed staff to try to find ways to pay for these items. And so tab c, mayor, is a variety of funding options that we discussed at our last work session. They have not changed, I don't believe they've changed since that work session, although we did add some language in anticipation that there may be a desire to use those revenue ideas to lower the tax rate as opposed to increasing expenditures. I think it certainly is council's pleasure you, but it may make some sense to work through tab c first and see what support there is for increasing funding options before taking a look at the items that you

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[03:54:52]

>> Mayor Leffingwell: I think that makes sense that we do that first before we go to council amendments. So we'll have some idea of how much money is available for those amendments.

>> And I would maybe just clarify up front that the items listed on tab c, the operating budgeting option, 1.1 through 1.7, are the direction staff is offering forward to you, I would not necessarily characterize them as recommendations. I think we stand on our recommendations that we delivered to council on July 31 in our budget document, but these are options that could help you get to the budget that you would like to.

>> Mayor Leffingwell: These are options not necessarily recommended by staff.

>> I wanted to make that distinction, yes, sir.

>> Not recommended at all. It's entirely up to you. Going to be firmer

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>> Mayor Leffingwell: Not recommended for or against, so we're clear on that. All right. So the first option is 1.1 on tab c. To increase the transfer of the critical one time fund from the budget stabilization reserve up to the limit allowed by financial policy. Is there any objection to that proposed amendment? Councilmember Spelman.

>> Spelman: I have no objection, but I want to ask about procedure. If we adopt some or all of these funding options that will free up some additional cash that could be used both for one time and also the operating budget, however we choose

-- two things can happen. One is we use all of it. One of them is we don't use all of it, there's some left over, I'm suggesting we could go back and revise this again only increasing the funding available to the point [inaudible]. A third possibility is we go over, decide we want to spend more money with these options. If we adopt these funding options and it turns out our eyes are bigger than our head and we decide we want to spend more money than we've got, we need to find funding options. Would the table be open for proposals?

[03:57:05]

>> Mayor Leffingwell: I think you could propose an amendment that would be in essence a reconsideration of one or more of items on this tab. Correct me if I am wrong, mr. Van eenoo. You could say I have amendment x and I propose to pay for it by reconsidering item 1.4, for example.

>> You could certainly do that. You could bring forward additional ideas that as council may have for freeing up funds to address some of your prior

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>> Spelman: I figure we may have to get a little creative again today.

>> Mayor Leffingwell: I take it this is going to be very complicated before the end of the kasem springfield, missouri I hope it's not, mayor, but we've got 50 operating items people want to adopt.

>> Mayor Leffingwell: At last count, I think council proposed amendments were -- totaled \$160 million.

>> That's including bull creek.

>> Mayor Leffingwell: Yes, including bull creek and onion creek. City manager.

>> Do indicate to council [inaudible] that we're set up such that we can readjust based on those decisions in realtime.

>> Yes, we have two computers set up. She has the details so obviously the budget adoption, all the line items have to be approved are very detailed. I've got the simple version which is essentially the spread sheets before you. We will be tracking approved, not approved, no action taken and we'll be able to keep you apprised of where you are relative to having a balanced budget as we go through the proceedings.

>> Mayor Leffingwell: Councilmember martinez.

>> Martinez: For me, I certainly don't object to try and not spend the additional one-time reserves, but I think taking it off the table before we start the conversation today, as you've mentioned, with the potential \$160 million worth of unfunded items, we need to leave every option available to us so we can have the full conversation, with the intent obviously we will look at each and every decision with critical eye towards trying to save wherever we can. And as it relates to funding options, I appreciate councilmember spelman's options because these aren't the only options available for funding. We may make proposals that don't exist on this page that create savings in other areas that would allow us to consider further priorities, if you will. I don't object to increasing the one time stabilization reserve by 3.3 million with the caveat we'll be keeping an eye on critical expenditures.

[03:59:48]

>> Mayor Leffingwell: At the same time, I think it is helpful to have at least a starting point we're going to operate from so we'll go through these items 1.1 through 1.7. As I said already, I believe there's no objection to 1.1 so that will be included added to the starting point. On item 1.2, which is to increase the property tax revenue based on the certified tax roll, I believe this falls into the realm of just being an update to our revenue estimate as happens to be the final update. I think it makes perfect sense to -- and that's the reason I'm going to propose an alternate mot to maintain the property tax revenue at

the proposed amount of \$352,498,000, 522, and reduce the property tax rate by .11 cents.

>> That would take it down from what staff proposed before we had a certified tax roll, we need a tax rate of 47.98 to maintain the same level of revenue in our proposed budget.

>> Mayor Leffingwell: All right. Councilmember Morrison, do you object?

>> Morrison: I do. I would like to take a vote on that. We have such critical needs I feel like we really need to balance the tax rate with being able to satisfy the need.

>> Mayor Leffingwell: But in essence it's starting with a tax rate that we know is wrong.

>> Morrison: Well, mayor, I think I guess personally I wouldn't use the term "wrong" to characterize. We adjust every year like this and you've proposed one way to adjust and I'd like us to take a vote on it.

>> Mayor Leffingwell: All right. Those in favor of the alternate motion that I just proposed say aye.

>> Aye.

>> Mayor Leffingwell: That fails on a vote of 1-6 with myself voting for it. So that is not adopted. That takes us back to the staff recommendation to increase the property tax revenue estimate based on the certified tax roll. I will object to that and call for a vote. Those in favor say aye.

[04:02:06]

>> Aye.

>> Mayor Leffingwell: Opposed say no. That passes on a vote of 6-1 with myself consenting. Item 3, staff's suggestion, is increase the property tax revenue estimate based on improved tax collections. This simply means that staff now estimates they will collect a higher percentage of property taxes than they originally estimated. Some proposed the alternate to maintain

-- excuse me. Let me start over. This one is to increase the property tax revenue estimate based on improved tax collections and my proposed alternate is to maintain the property tax revenue at the proposed amount of \$352,498,522 and reduce the property tax rate by a quarter penny. That's my proposal. Is there any objection? Councilmember Morrison objects. Call for a vote. Mayor pro tem.

>> Cole: I have a question. What is the exact current rate that we're operating from right now?

>> Mayor Leffingwell: So far 48.09.

>> Cole: 48.09.

>> Current tax rate is

-- staff proposed in the document is 50.27 cents. What staff has proposed was a tax rate of 48.09. At that tax rate given our most recent information we've seen in regards to our collection rate, the tax levy we can expect to actually collect, we think we would be able to realize on additional 2.4 million of revenue at that tax rate or alternatively lower the tax rate to keep the revenue at the same amount. I would lower it by

-- from 48.09, I would lower it by a quarter of a penny so 47

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[04:04:23]

>> Mayor Leffingwell: Use your pencil if you need to.

>> Can I use my phone? 47.84, I believe. Instead of 48.09, 47.84 and I have professor Spelman nodding

his head and giving a thumbs up.

>> Mayor Leffingwell: That is correct. All right. So we had objection on that so we'll vote on the proposed alternate. We've already voted, have we not? All right. Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no.

>> No.

>> Mayor Leffingwell: Again, that fails on a vote of 6-1 with myself voting in favor. Now we'll go to item 1.4, which is to reverse the sustainability fund

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>> Spelman: Mayor, we have to vote on 1.3.

>> Mayor Leffingwell: Correct. Thank you. That is to increase the property tax revenue estimate based on approved tax collections. Is there objection to that? I object. Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. That passes on a vote of 6-1 with myself voting no. Now we'll vote on

-- we'll go to item 1.4, which is reverse the sustainability fund proposed changes in the funding model. And that's 4,843,426.

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>> Spelman: I'll object.

>> Mayor Leffingwell: I will object also. So those in favor of the staff suggestion say aye. Those opposed say no.

>> No.

>> Mayor Leffingwell: That is not approved. Item 1.5 is to reinstate austin energy's reimbursement to a.P.D. For home homeland defense services. Is there objection to that? I object. Those in favor say aye.

[04:06:29]

>> Aye.

>> Mayor Leffingwell: Opposed say no.

>> No.

>> Mayor Leffingwell: Let's see a show of hands on the ayes. This is the ayes. And the no's. That fails on a veto of 3-4 with councilmembers martinez, riley, mayor pro tem excuse me, councilmember spelman and myself voting no. Now we'll go to 1.6, which is to eliminate fee waivers for city co-sponsored events. The net impact on transfer to a.P.D. And that's \$732,910. Is there objection to that? Councilmember morrison.

>> Morrison: I guess so because I would like

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>> Mayor Leffingwell: Councilmember morrison objects. And you have the floor.

>> Morrison: Thank you, mayor. I think that, you know, we have the whole special events thing working right now and the work with the community and staff and part of that has to be figuring out how we need to be doing fees.

>> Mayor Leffingwell: Councilmember martinez.

>> Martinez: I agree. When I look at the list of, city sponsored fee waivers, these are family friendly events and we're talking about trying to make austin a family friendly event city. I think what's happened is it gets blended in with sxsw and others that I think is what's causing people pause. It's such a large waiver of almost
-- of \$600,000 for sxsw and the remaining being the other events. So I do think this is premature. I would hate
-- I couldn't imagine the impact that we're going to have on mlk day parade and the other events that are listed in here. So I would not support eliminating the city co-sponsored events.

[04:08:34]

>> Mayor Leffingwell: Any other discussion? Those in favor of that suggestion say aye. Those opposed say no.
>> No.
>> Mayor Leffingwell: That fails on a vote of 0-7. The next is 1.7 to decrease transfer to a.P.D. Resulting from decrease in related fee waivers. Is there objection to that? Councilmember martinez objects. We'll go to a vote on that. Those in favor of the staff's suggestion say aye. Those opposed say no.
>> No.
>> Mayor Leffingwell: And that fails on a vote of 0-7. So, mr. Van eenoo, can you give us an update on the funding options?
>> Through those actions, mayor, you would have created a pool of available funds of \$3.3 million for one-time purposes and \$3.4 million for ongoing purposes.
>> Mayor Leffingwell: So a total of about 6.7?
>> Yes, sir. And we'll be helping you keep track of, you know, appropriate sources of expenditures for one time versus ongoing sources. The tax rate would remain at staff's proposed rate of 48.09.
>> Mayor Leffingwell: Okay. So now we will go to councilmember-proposed amendments.
>> That's tab b.
>> Mayor Leffingwell: And I'm going to be referring to the one that's sorted by councilmembers. And I'm going to go in order from place 1 through place 6 as we work our way through. It's the same ones, it's just sorted differently.
>> Mayor, I think most staff only has the version that's sorted ordinally so if we could get the councilmembers mention what number they are researching, it would help us
-- researchs, it would help us
-- referencing.

[04:10:44]

>> Morrison: I don't have the one that's sorted by councilmembers.
>> Mayor Leffingwell: Your will work. Whichever one you have. But if we could get councilmember morrison a copy.
>> Morrison: Thank you.
>> Tovo: Can somebody indicate, should that have been in the packet? It's not in your packet or binding.

It was a hand out we put on the dais. Each item also has the main sponsors listed so you can find them that way as well.

>> Mayor Leffingwell: It was also passed out at the last budget meeting.

>> It was.

>> Mayor Leffingwell: But it's different. Last budget meeting it was 110 million and now it's 160 million.

>> Tovo: I don't believe I have that either.

>> We're getting them sent around. We're going to get copies. There was an issue with that, but the version that's in your binder does list them as 1.1 through 1.50 and lists the councilmember's name and we'll have the versions sorted by each councilmember shortly. I'm not sure what happened.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Could you repeat what you said what you were planning to do now?

>> Mayor Leffingwell: Just in the interest of being fair, we'll give each councilmember an opportunity to offer one amendment and we'll go in order place 1 through 6.

>> Morrison: Okay. That sounds great. I thought I heard you suggest that you were going to go in the order that was on this list.

>> Mayor Leffingwell: No, I didn't. I never said that. So place 1 is councilmember riley, as I recall, so you have the first opportunity.

>> Riley: Thanks, mayor. I'd like to raise the item that's listed 1.24, this is the additional e.M.S. Demand unit. We've got the may 20th list of unmet needs lays out the case for that demand unit. It notes that additional demand ambulance, 12 hours seven days a week is need to do respond to increasing roads and services in the austin area. Current work loads show high utilization rates which means units are responding to calls the majority of time in service. The cost for that as indicated in our binder is 321,796, critical one-time funds. And then 53

-- and 531,334 out of the general fund.

[04:13:26]

[Inaudible] SIX FTEs. I think there is a need. Our e.M.S. Personnel are subject to very serious demands. We need them to be performing at their best and they face very difficult work conditions made often more difficult by lack of demand unit. I would suggest there is an urgent public need to get that demand unit in place.

>> I'll second.

>> Mayor Leffingwell: We don't need seconds. Mayor pro tem cole.

>> Cole: I support this and want to ask councilmember riley if he's anticipating making any adjustments to the e.M.S. Budget that was presented to off set this at a later time or now or

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>> Riley: At this time I'm just [inaudible].

>> Mayor Leffingwell: Is there any objection to adopting this proposed amendment?

>> Spelman: No objection, a question. If we were to adopt this, would that demand unit be available on october 1st or sometime after?

>> Mayor Leffingwell: That's a question for staff, I think.

>> Spelman: Do we need to fund this for the entire fiscal year or the portion of the year we can expect

the demand unit to be available and staffed?

>> [Inaudible] it would take us time to tap it up. It wouldn't be available on THE 1st.

>> Mayor Leffingwell: Well, you have a feel for what amount of money you are talking about? Six months? Half of it, for example?

>> Yeah, I can get that information. Perry Lange is our assistant director of finance.

>> Perry Lange, administration and finance. This calculation is for a full year of funding. We would have to

-- I could probably

-- excuse me. I could probably get those numbers in the next few minutes [inaudible].

[04:15:33]

>> Spelman: What would be a reasonable delay time to expect

-- what is the soonest you could reasonably be expected to get the demand unit up and running?

>> [Inaudible]

>> Spelman: So you couldn't reasonably get it up by the end of the calendar year, it would take six months from the beginning of the fiscal year before we could actually

-- okay thanks. Mayor, it seems to me we should

-- pending the results of the chief financial officer's investigation, probably be thinking in terms of approximately half of these numbers for one-time expenses I think are going to be exactly the same. But I'll defer to their greater expertise later on.

>> Mayor Leffingwell: Well, let me just say in that case I agree with you and I'm going to object on that basis. If the numbers change to reflect half of the o&m funding, I would not object. Councilmember Riley. Do you want to amend your request? To half of the general fund amount?

>> Riley: Sure.

>> Mayor Leffingwell: All right. So that would be

-- you can run the numbers on that, but it's about \$260,000 for six months operation. And the critical one time would remain the same. Is there any objection? Councilmember Tovo objects.

>> Tovo: I don't object. I have a question. I believe this is also critical priority and I plan to support it, but I do want to ask a question of staff that has arisen. It's my understanding, and I'd like to you verify it, that this is not intended as extra staffing to accommodate special events. And I just wanted to

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>> that's correct [inaudible].

[04:17:36]

>> Tovo: There were I believe some suggestions we add staffing for special events but this is operate from that. Great. And I believe that if we need additional staffing for special events that we need to find a way to pass those costs along to the special events that require that extra staffing. So again, I just wanted you to make sure that we get in a message out loud and clear to the community that this extra staffing is just to accommodate our regular needs of a growing city. Thank you.

>> Mayor Leffingwell: Okay. So Mr. Van Eenoo, back to the napkin, 265,697.

>> Yes, sir.

>> Mayor Leffingwell: Okay. All right. Apparently there's no objection so that is adopted.
Councilmember martinez.

>> Martinez: Thank you, mayor. I'm trying to

-- ed, can you remind me. What tab is the capital idea? Did we send that through to b tab process? All right, so apparently there is no b tab for capital idea, but I want to make a proposal that we allocate an additional \$350,000 in ongoing expenditures to capital idea for economic development, through the economic development department. You have long-standing relationship with capital idea and they do incredible work, some of the best outcomes in terms of job training, advancement, upwards mobility and they have requested an additional \$350,000 to train 50 additional employees in the next year so I would move we add that expenditure.

[04:19:42]

[Applause]

>> Mayor Leffingwell: Say the amount.

>> Martinez:350,000, mayor.

>> Mayor Leffingwell: I guess we would label that 1.51? Item 1.51, mr. Van eenoo.

>> Yes, sir, I'm looking if it got named something slightly different.

>> Martinez: It didn't, we got it in by the deadline, it just didn't get into the folder.

>> Okay. That's fine.

>> Mayor Leffingwell: Were all these items accounted for on this list, mr. Van eenoo? There's significant items missing that I see. Or one at least. 78 million

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>> we're on one point, et cetera, we're on two point, et cetera.

>> Mayor Leffingwell: All right. So councilmember martinez proposes 350,000 for capital idea.
Objection?

>> Spelman: Why 350,000 and not some other number?

>> Martinez: It was a request they were trying to add 50 new trainees to the program and that's the dollar amount it would cost to have the additional 50 students in the program and getting into the job.

>> Spelman: They run several programs. Is this a particular program?

>> Martinez: I'm not sure. Could you come up for a second, please. I think it's their normal but I'll let steve come up.

>> Spelman: Steve, what will we get about 350,000 that we would not get out it?

>> Steve jacobs, executive collector cap idea. It would able us to increwes the number of adults getting long-term training services for in-demand occupations by 50. Total we're currently supporting between the funding of city and county 400. So it increases from 400 to 450, approximately.

[04:21:58]

>> Spelman: That's consistent with your capacity. You will be able to staff up to handle the other

--

>> REQUIRED TWO FTEs.

>> Spelman: Remind us the okay you're occupations. 20 on the list, licensed vocational nurse, search techs, everything from electric technology, power utility tech for austin energy as well as hvac and other trades related that increasingly technical occupations.

>> Spelman: Given those occupations are on a list of most in demand in our labor force, that certainly qualifies as economic development, certainly not a social welfare program, although it accomplishes that objective, that sounds it's very much like an economic development program.

>> Yes, sir.

>> Mayor Leffingwell: I will object to that. And call for a vote. Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. Passes on a vote of 6-1 with myself dissenting. [Applause]

>> thank you.

>> Mayor Leffingwell: We'll now go to councilmember tovo.

>> Tovo: I'd like to propose the snap funding, the additional funding for snap, which I thought I had in front of me. 1.10, and that is for an additional position as well as some support for the technology that would make it possible to accept snap at farmers markets, but the really critical and the most funding within that goes to hiring an outreach person who would be of great assistance out there in the community registering some of the families who are eligible for snap but are not currently receiving funding. And, you know, we're in a situation where a quarter of all travis county children live in a food insecure household and there are federal resources available that can assist those families and we're not currently getting those resources to the families because we lack sufficient staff to register families. So that's my proposal. And that is in the amount of \$112,241. And you may remember we had a discussion about this in last year's budget. It's come up multiple times as a recommendation from our sustainable food policy board.

[04:24:44]

>> Mayor Leffingwell: Is there any objection to this item? I'll object. And not because I oppose the item itself, it's just I'm going to vote against a lot of items today that I really like the idea of funding those items, but it's just the fact that this is going to result in a tax increase. Already we have a tax increase and this will add to that so I'm objecting to item 1.10. Councilmember martinez.

>> Martinez: I have a question for staff. I'm supportive this of, councilmember tovo, it is one of the items I think I initiated, but I really do appreciate you using your turn to take up this item. And I wanted to ask, though, there was some questions about whether or not it was going to be an internal staff member with the city or whether it's going to be contracted through a local nonprofit such as the capital area food bank or other appropriate nonprofit. Is that still the direction this would go based on this motion?

>> Mayor, city council, bert lumbreras, assistant city manager. I would be happy to check with staff but from what I recall the presentations that we did, I think we have some flexibility to do that. I don't think that we're, you know, pretty well stuck on having it to be a full-time equivalent. It could be something if we have the potential to contract we would explore that. I don't have a definitive answer on that.

>> Martinez: I appreciate that, bert. I think based on our experience with the nonprofits out there already doing that work, I think we could gain much more efficiency and much more enrollment into the

program if we go out and contract with an existing nonprofit that's doing the enrollment. We have some 120,000 residents in Travis County that are eligible that are not enrolled and I want to make sure we maximize and try to reach those individuals to the largest extent possible. We discussed this with some of the nonprofits. They would welcome that and probably could double if not triple it.

[04:26:55]

>> We agree and we'll certainly work that very hard to see if we can make that happen.

>> Martinez: I think Kimberly is behind you. Did she have

--

>> we currently do it in other services so that's within the realm of possibility.

>> Martinez: Thank you, Bert.

>> Mayor Leffingwell: As I said, I objected so there will be a vote on it. Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. That passes on a vote of 6-1 with myself voting no. And I have no proposed increases in spending so I'll be passing for the day. Councilmember Morrison.

>> Morrison: Thank you, Mayor. I think what I would like to do, what I would like to propose is, you know, we've all heard from one voice quite eloquently speaking about the need for increased funding for social service contracts. And thinking about it when we were talking about at public health and human services recently I realized the dollar amount has been flat that we're able to invest for several years, while we all know that the needs are increasing significantly. Now, capital

-- excuse me, one voice had requested \$15 million increase, which I would dearly love to propose, but I don't think that's reasonable. In looking at the

-- it would be ongoing funds. And looking at the other needs around the city, I would like to offer what I think is a modest proposal of adding \$1 million to the social service contracting, which is, I believe, 1.46. And I would just note that very roughly, I think we're spending about 18 million something a year. Very roughly this would be a 5% increase. And 5% over three years is very, very modest.

[04:29:04]

>> Mayor Leffingwell: Proposal by Councilmember Morrison. It's item 1.46, to add \$1 million for social service contract funding. And I have

-- since I've been on the council, I've been a supporter of social service contracts. I think it's currently about \$18 million. I can't support an increase in a year when we're really trying to balance this budget on the backs of taxpayers so I'll object. Any other discussion? Those in favor say aye. Councilmember Martinez.

>> Martinez: Councilmember Morrison, is your intention to add a across the board 5% increase to social service contracting and not specifically to targeted spectrums within the continuum?

>> Morrison: Yes, that's right. I just wanted to increase the pie that we will be then allocating with the current ROUND OF RFAs.

>> Martinez: And I would just note that actually it's really not \$18 million that we contract out because 5 of that over the last few years, we have carved out of the competitive process. So we're actually only

vesting about 13 million in competitive social service contracting. From my perspective, funding has gone down because we've taken some of these organizations completely out of the competitive process leaving everyone else to compete for even less amount of resources. I would certainly contemplate a 10% increase, but that's your motion. I may take up my turn to add to it if I can.

>> Cole: Mayor, I have a question.

>> Mayor Leffingwell: Mayor pro tem cole.

>> Cole: If I remember correctly in the past we've had reserve funds left over that we've allocated to social service contracts and then the health and human services committee sort of made a recommendation and worked with the r.F.P. Process so that it's very public who is actually going to receive those funds because this will be, you know, just dollars for social services. What would you propose would be the process?

[04:31:06]

>> Well, right now we're in the process of looking at staff recommendations for the current r.F.A. And they have limited their recommendations by the 13 million. I would propose that if this passes, we say that that really should be 14 million and it opens up the recommendations. So it would be folded into the very transparent process that we are currently undergoing.

>> Cole: Okay. And the only other question I have about that is we have several items from the school district, only one of which I know is currently in the social service pie. So when I get my turn, I might discuss with you whether we can put some of that funding to be considered in that project.

>> Morrison: That sounds terrific. And mayor, if I could respond to councilmember

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>> Mayor Leffingwell: Go ahead.

>> Morrison: Martinez. I think what I would like to do is see if we can get one million through and then see if we can add to it or as the mayor pro tem mentioned.

>> Mayor Leffingwell: And I would just respond that still is \$18 million worth of social services. Even though it's allocated differently, it's still the same amount of money so I will not support it. Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no.

>> No.

>> Mayor Leffingwell: That passes on a vote of 6-1 with myself voting no. [Applause] councilmember spelman. Councilmember martinez.

>> Martinez: Sorry, councilmember spelman. Can we get an update on the funding, the one time versus structural where we are?

>> Mayor Leffingwell: My plan had been, councilmember martinez, to get through the round.

>> Martinez: Fair enough.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Councilmember martinez, we have approximately 3 million available in one-time and 1.7 in o&m funding. I'm keeping track too. Mayor, I'm offering one that might even be able to get your coveted vote. This is 1.50, a fairly technical amendment which came in over the transome on friday

afternoon after the close of business. It turns out that applying our usual methodology for looking at the number of vacant positions to the auditor's office would result in reducing their budget due to assumed vacancy savings by more than one f.T.E. That's a \$69,000 reduction. What that would effectively mean, they would only be able to hire 25, 26 positions available. They wouldn't have the money TO HIRE THE 26th. I believe that the

-- especially for a small office like the auditor's office, we can expect there are going to be fluctuations in the number of people who are actually on

-- in the office, and I think what the auditor's office has done in the last year or two has gone through a fluctuation period when there are a lot of people leaving. I don't think that is likely to continue in the future and I think it's appropriate for us to budget less for vacancy savings. This would allow the auditor to hire that 26th person and staff up completely. Mayor, although it's a technical objection, it's extremely important for the auditor's office to be able to hire that last auditor.

[04:34:40]

>> Mayor Leffingwell: So this money actually comes out of vacancy savings.

>> Spelman: This is a reduction in vacancy savings. The current vacancy savings is an appropriately large number due to a one time fluctuation.

>> Mayor Leffingwell: I was trying to frame it that way. It's based on a revenue assumption that you are reducing.

>> Spelman: Exactly.

>> Mayor Leffingwell: Are there objections to 1.50 by councilmember spelman? Hearing none. That's adopted. Mayor pro tem cole.

>> Cole: Yes, mayor, we heard directly from the school district and many trustees about their concerns with their funding formula, especially recapture and how little of recapture

-- because of recapture they actually get to retain for their services. Council has had a long history of supporting the school district and they brought to us specific proposals that we believe we can actually do to help them so the money would go directly into the community if we do that and wouldn't be subject to their funding formulas. So I would like to propose item 1.30, the parent support specialist, and I would like to propose that at half the amount, 1.25000.

>> Mayor Leffingwell: So mayor pro tem cole proposes item 1.30 revised to one and a quarter million instead of one and a half million

-- two and a half million. And I'm not going to keep saying this all day, I promise, but there are many things I would like to support but because of budget constraints only I will not support so I object. Councilmember morrison.

>> Morrison: I wonder if I could ask staff, I asked a question, I know we always have to be careful to ensure that the funding we're doing that supports the kids is actually allowable funding from the city. And I had asked the question and I forget the answer of what number it is. And I read the answer just came in over the weekend. I think I asked it pretty late. And I said is there any technical or legal barrier to us funding this particular item. 135. And I didn't

-- maybe it's because of the law department wrote it, I didn't get a sense that the answer is one word yes. It's fine. Three words. Yes, it's fine. So I wonder if we could have staff just comment on that.

[04:37:23]

>> Mayor Leffingwell: Anyone from

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>> I don't think it is a yes. I think that there are

-- there is a doctrine in the state of Texas that issues have to meet a municipal process. And I believe your question was about the radios

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>> Morrison: No, that was another question. This

-- I asked specifically about the parent support specialist.

>> And I think the answer to that is that it had to meet a municipal purpose. And I also think that

-- also the same thing about quid pro quo, what are we getting in return because we can't give a gift of funds. Lela fireside wrote that opinion so I think she can expand on it. What you get in return forgiving the money to that entity whether it's school district.

>> Morrison: So I guess the question is is there any problem with us going forward with this program.

>> [Inaudible] as long as we structure it properly there's no problem. But we need to structure it properly. Sorry. We have to structure it properly so [inaudible] Karen has said so that the city is getting something that we can document from the school district and also so that we ensure we take steps to make sure that we are using those funds for the city purpose, not for a school district purpose. Provided Aisd can provide those, this is a lot of money, then yes, we can do it.

>> Morrison: Okay. Thank you very much.

>> Mayor Leffingwell: And I would just say, legal considerations aside, and I'm concerned about those, I'm also concerned about the very slippery slope that we get on when we begin to fund expenses for other governmental entities within our general area or outside of it, for that matter. I don't think there's any end to that road. So again, I object and I'll call for the vote. Councilmember Martinez.

[04:39:39]

>> Martinez: Mayor pro tem, are you proposing this to come out of o&m or one time?

>> Cole: I do not believe it's eligible for one-time expenses. Ed, do you have a comment?

>> It depends council direction. If your intent is give them these funds for a year, it would be one time and we can structure the contract in such a manner. If it's on going, we would want to account for it accordingly.

>> Right now it's listed under general fund.

>> Our anticipation council desire would be to have this ongoing. That's why we put it where we did.

>> Cole: I would ask for the ongoing and in my mind it would be part of the social services contract.

>> Martinez: And I appreciate that. I think because of the questions that are out there and maybe some legal issues, I certainly would support funding this, but would prefer to do it out of one-time expenses so we can have this conversation and leading up to the next council budget adoption, it can be incorporated as an ongoing expense. If we take the 1.25 and apply it to o&m, we are down to \$400,000. Is that what it is? 400,000 remaining in o&m funding options that are available to us. I just want council

to be aware of that. I'm not opposed to this but I think it limits our options, particularly if we do it as a structural expense this year.

>> I will say I know the school district is currently in a lawsuit trying to challenge the funding formula and there's hope that they will be able to unravel the difficulty that they are in. And so it may councilmember, councilmember martinez to make this a one-time.

>> Mayor Leffingwell: A revision to make it a one-time expenditure, I'd say that's probably going to be a little difficult for them to higher specialists for one year, but

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[04:41:45]

>> Cole: Well, it's parent and teachers that volunteer for the program and they hire some specialists, but they have some existing ones that are working part time that they would like to expand.

>> Mayor Leffingwell: But they would hire somebody, right, as a result of this?

>> Cole: Well, I don't know. They would expand hours of existing employees and perhaps have to hire some additional staff, but I don't know how they would structure that, but they have existing employees limited to certain campuses and this would help expand some more title 1 campuses.

>> Mayor Leffingwell: I still object.

>> Tovo: They were full time and they are down to half time and this would allow them to increase their hours.

>> Mayor Leffingwell: Those in favor say aye. Those opposed. That passes on a vote of 6-1 with myself voting no. [Applause] ed, do you want to bring us up to date, mr. Van eenoo.

>> Yes. Funding options minus the things approved, \$1.7 million of critical one-time funds left. Just short of \$2 million of general fund revenues or funding left. And our enterprise departments would have an ending balance impact of 329,134. And I should use this as an opportunity, we're keeping track of this. That other funds column, which enterprise functions it hit, you know, they like the general fund have reserves and ending balances. They also have reserve policies. As we go through this, if something triggers a point where the ending balance is available in our enterprise departments can absorb the hit, we may need to slow things down, talk about that, we may be in violation of one of our financial policies or might necessity a slight rate increase in that enterprise department. We'll keep you apprised as we go through. Right now I think we would probably be fine.

[04:44:04]

>> Mayor Leffingwell: Round 2. Councilmember riley.

>> Riley: I'd like to raise an item related to the austin music office. There's a description about how we could manage a \$30,000 increase. That is a very modest amount but it would be valuable

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>> Mayor Leffingwell: I believe that's 1.4.

>> Riley:1.40, yes, a page that has the detail on that. It also appeared in the previous unmet service demands memo and there is discussion that explained that funding is needed to renew contracts for programs which provide services and resources to the industry. One-time funding has expired on a

number of projects that the music office is funded in. It is currently funding. This funding is needed just simply to maintain the kind of role that the music office has maintained in the past. The amount is \$30,000 and I think considering the importance of the work that the music office does, I think this would be well worth it.

>> Mayor Leffingwell: Is there objection? Councilmember tovo.

>> Tovo: Would you mind telling us what tabitha is?

>> Riley: At the top 1.4, at the bottom 35.

>> Morrison: It's b 27.

>> Riley: It's buried behind b 27. There are pages with numbers and a box in the right-hand corner.

[04:46:09]

>> Mayor Leffingwell: 6,300 general fund and 23,679 out of other funds.

>> This is a program in our economic development department. Is funding the mayor just mentioned is following our existing model between the general fund, austin energy and the austin water utility.

>> Tovo: Just 6,321 from the general fund, the rest from the enterprise department?

>> That's correct. The details are on page 35 of tab b 27.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Would this not be eligible for funding under the hotel bed tax? Ferguson it's divided up. The percentages are divided up by council. I mean, obviously previous council in dividing up and apportioning where the money goes to the acvb or the convention center or to historic restoration. And the maximum amount that is allowable by law for the arts is going to the arts right now.

[04:48:40]

>> Spelman: I must have misunderstood you. Is that 15 percent allowable for cultural arts, which is in the live music capitol of the world, an important draw for tourism and therefore out of state legislation, a perfectly reasonable thing to use bed tax money for. Is that 15% allocation based on city ordinance or based on state law.

>> The 15% cap is in state law and council has allocated all 15% of it to our current cultural arts programs. The other thing that we need to be careful about is that the statute also prohibits the use of that funding for general fund purposes. So you can't use hotel occupancy tax for a general fund expense.

>> Even if that thing which historically has been a general fund expense does fit under the allowable expenditures under the state legislation.

>> Yes.

>> Spelman: So if 83 used it for general fund it's bed taxes. We can't use bed taxes to pay for it.

>> I'm telling you what the statute says. The statute prohibits the use of the funds for general fund purposes.

>> Spelman: Okay. The short version is we cannot pass this on to bed tax in spite we had a very large increase in bed tax because all of the bed tax that we can spend on things like that has already been spoken for. So the only way we could shift this to bed tax is if we took something away from the cultural fund and be paid for out of bed tax, is that right?

>> If you took it away in that and if that was able to meet the allowable expenditures, yes?

>> Spelman: Okay. Thanks.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: We got into a bit after question last week when I was asking about actually some of our funds

-- some of our hotel occupancy tax funds apportioned go to acvb and it's defined in the ordinance what percent that is. Is it 5.5%? I can't remember what. Then they go off and do all the great tourism work that they do. But one of the things that I had asked and we got answer understand a question, during the meeting was how did that work. And the question was did we have approval

-- are we required to approve their budget. Could you comment on that?

[04:51:31]

>> Yes. Under the statute the city has the authority to delegate the portion of the hotel occupancy tax that is used to attract tourists to another entity. We do that through the acvb and through the statute the council does approve the acvb budget.

>> Morrison: I throw that out there because we've always gotten the budget and I didn't realize it was for anything more than information purposes. And so I think knowing that the budget is for-- it requires out approval it gives us an opportunity, as we always had before, but it gives us another opportunity to talk about the programs that they're running for tourism and whether some of the things we see as tourism, but not cultural arts, might fit into their program. That as I understand it will be coming to us for approval on september 25th. So I appreciate the clarification. I think we all need to know that. And in fact, I know that I had raised it because in the previous conversations I had with the austin gay and lesbian chamber, they had suggested some of the work that they were interested in doing was really promoting tourism so we had gotten them in touch with acvb. And as I understand it, they did touch base, but things were never pursued. So frankly, I plan on spending a little bit of time between now and the 25th working to see if there might be something to promote the agltc could promote in their program.

>> Mayor Leffingwell: Okay. Proposal by councilmember riley. I'll object. All in favor? Opposed say no? Passes on a vote six to one with myself voting no. Councilmember martinez.

[04:53:37]

>> Martinez: Thank you, mayor. This is under b-27. I think it's 1.44, the hispanic quality of life initiative. While I realize they've made a pretty substantial request in funding

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>> Mayor Leffingwell: Could you give us the number? 1.44?

>>

>> there's christmas extensive backup for this

-- extensive backup for this item on page 47 of tab b-27. Under b-27 there's a whole subset of items.

>> Martinez: Mayor and council, the hispanic quality of life initiative made some recommendations this year. They're somewhat all over the place as it relates to

-- not necessarily related to one another, it's a total of request of about \$6.8 million in funding this year, which obviously we know that's simply not possible under June circumstances. There are a couple of items that I think are of significant importance. And these two items would be on a one-time expenditures and not ongoing operations and maintenance. So I will move to add \$575,000 in one-time expenditures, which would go towards towards next round of enrollment in the affordable care act's insurance marketplace. That would be 500,000. And the 75,000 would go to a feasibility study for a health and wellness center in the Rundberg area as project Restore Rundberg moves forward, there is a strong appetite for determining whether or not a health and wellness facility could be a part of that Restore Rundberg project. And this 75,000 would be to conduct a feasibility study to further make that determination. It would be 575,000.

[04:55:57]

>> And none out of the general fund? Any comments. Councilmember Morrison some.

>> Morrison: Councilmember Martinez, I'm very supportive of the 500 to the outreach of the affordable care act because that's just an investment that will come back to us fundswise as well as health of the community. Can you help me understand the health and wellness feasibility? I apologize because I didn't really

-- I might have not studied this packet well enough. There is some central health presence up there. Do you know if they would plan to look at potentially partnering with them or any more detail on that?

>> It's a page 58, between pages 58 and 59. This is listed with some description of what it would actually be.

>> Martinez: So the description, under the description of this request, Councilmember Morrison, is the Rundberg area in north central Austin is home to one of the largest Hispanic enclaves in the city. A community health and wellness center could provide community wraparound services. A feasibility study should be funded using the economic and detriments of health. All I have is the request that they forwarded us and what's provided in the backup. I thought it was worthy of consideration.

>> Morrison: Absolutely. I notice at the end I do see that page now. At the end they say so the total is 75. They say the feasibility study should be funded through the city, county and central health. And I probably it's too early to know if we've had a chance to go talk to them.

>> Martinez: I would doubt it. I would think that they have probably forwarded the exact same request to each entity. So we wouldn't know the full impact it could be only 25,000.

[04:58:03]

>> It well, certainly I'll support that. And obviously if in fact central health and the county have ponied up the money, we'll be able to recoup that.

>> Martinez: We could lower the property tax rate with \$50,000.

>> Morrison: That would be great.

>> Spelman: Mayor.

>> Mayor Leffingwell: First of all, I'll object. Councilmember Spelman.

>> Spelman: I have the same concerns as Councilmember Morrison, by having an additional concern that

works the other way. I understand what a feasibility study would entail. I have a sense for how it would be conducted because we've 60 conducted other such feasibility studies in the past. I am uncertain as to what it is the city would be doing to improve enrollment in aca and would like a little more information tuesday how that half a million dollars would likely be spent and what kind of results we could reasonably expect to get from that.

>> Sure. My understanding is that adding funding to it simply adds additional enrollees and [speaking in spanish] to go out into the community, engage in the community, build trust and get folks to sign up through the marketplace. It is just in addition to what already is going to be invested in our area. And would add to our ability to get more folks on health care rolls.

>> Spelman: Do we know how much is going to be invested in promoting aca and [indiscernible] for the next trend already?

>> Martinez: I don't have that, but I could try to get that. I'm looking through here. I think it says one million dollars is currently budgeted for this next round in the backup.

>> Spelman: Where in the backup can I find that.

>> That's under your b-27 1.44. It is going to be the

-- the hispanic quality of life recommendation listed in kind of like a motion sheet form, if you will?

[05:00:34]

>> There is currently no funding allocated for education outreach and enrollment. And that they are requesting a million dollars from city of austin and travis county.

>> Where are you looking, councilmember?

>> On that motion sheet that came with the hispanic quality of life?

>> What page?

>> Page 57. It's the last item on that page.

>> Martinez: Page 27 at the very bottom.

>> [Indiscernible].

>> That's it.

>> Spelman: So there's a lot here to look at. If I could, let me take a quick look at it.

>> As you will see the targeted population is 100 to 250 percent of the federal poverty level. It's very targeted to the most needy in our community.

>> So the federal government hasn't funded any navigators in the last round or did not fund any for the -- is that the next round? I didn't understand. The round coming up we have no federal funding. We have no city or travis county funding. Do we have a sense for

-- this would be funding navigators in an ongoing program or navigators in the last program. There would be no navigators if we did not fund them in the next round. Do we have a sense for how much effect or how many people would be enrolled with navigators as opposed to without? And why -- how do we pick half a million dollars as being the right number and that being the right number of navigators to fund?

>> I think it's just a request that was made. I don't have that information, but obviously zero dollars gets you zero. And so they're just asking for some investment?

>> Zero gets you whatever you get with people having to navigate themselves, which will be very, very

small. I understand having somebody there will be a lot better than nobody. I just want to get a sense for half a million dollars is how many navigators for how long a period and what can we reasonably expect to get? Is there a way, mayor, of having an answer to that question? I believe it's a very good expenditure. We need to fund something, but I'm not sure about the exact amount.

[05:02:49]

>> Mayor Leffingwell: One thing we can do, councilmember, is if you want to withdraw and submit another request on your term that would be time to research that.

>> Martinez: I'm afraid by that time I would be out of money.

>> Spelman: I would not urge councilmember martinez to do that myself.

>> It may I ask mr. Lumbreras to see what he can find out for us.

>> Mayor Leffingwell: Do you want to go into recess until we get an answer? Until t without objection we're in recess.

[05:20:05]

>> Mayor Leffingwell: Okay. We're out of recess. I think if somebody could advise councilmembers who may be out in the foyer. That we're going back to this now.

>> Martinez: Mayor, the break, hopefully councilmember spelman was able to gain some insight to this. At the break I made a couple of phone calls. One of them to walter morrow at community foundation who did a large chunk of the enrollment last year they have currently 400,000 from central health committed. They have 200,000 it from st. Davids and they have 250 to 400,000 in national grant decisions pending and then a request from seton that's also pending for an uncertain amount. So they currently have \$600,000 available. His estimation is right now their goal is to enroll 5,000 people in their current fund. He believes that if we add \$300,000 to that that he would adjust his goal from 5,000 to between 7 and # 8,000. It's hard to quantify because if you just do 300,000 you have to ramp up and train. If you add to to an existing program such as his, it's robust, in place. He it could have an even bigger impact. I would to amend my motion to add \$300,000 for the next phase of enrollment in the affordability.

>> Spelman: Thank you for doing all that background work, councilmember martinez. Now that I have a better sense for how that money would be used and exact amount used, I very much more comfortable with it.

>> Martinez: And I appreciate your questions, councilmember.

>> Mayor Leffingwell: Just to clarify, it's now \$300,000 instead of 3,055,000?

[05:22:07]

>> Martinez: Instead of 500,000.

>> Mayor Leffingwell: I was referring back to the original number. So your proposal is \$300,000 for the hispanic latino quality of life advisory commission for the purposes you've outlined.

>> Spelman: Mayor, I believe it was 300,000 for the aca enrollment ask from the hispanic quality of life

initiative and another 75,000 for the feasibility study of the wellness center at rundberg.

>> Mayor Leffingwell: That's why I'm trying to clarify. I'm trying to find out what is your proposal. I'm only interested in the numbers.

>> Martinez:375,000, mayor. One time expenditure. All right. Is there any objection

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>> Mayor Leffingwell: Is there any objection to that? I'll object. So we'll call for a vote. Those in favor say aye. Opposed say no. That passes six to one with myself voting no. And before we go to the next -- before we go councilmember tovo, I had a request from councilmember morrison to perhaps reconsider and advise her earlier approved proposal.

>> Morrison: Thank you, mayor. I made the motion for one million dollars for social service programs, which was approved. And I actually just conveyed some inaccurate information in response to mayor pro tem cole. So I just wanted to clarify, do I need to call to reconsider?

>> Mayor Leffingwell: Doesn't sound like it so far.

>> Morrison: I will clarify.

>> Mayor Leffingwell: The numbers don't change, right?

>> Morrison: They don't change. This new social service contract that will be executed in response to the rfa will not go into place, they will not start until october 1, 2015. So that means that we can fold-- it's ongoing funds. We will followed a million dollars into our decisions about the new ones, but we also have a million dollars based on my motion for this year. And so we have a million dollars that will be needed to be allocated separately from that. And I think I indicated otherwise previously. So I would like to suggest certainly with input from everybody that we plan on looking at using this year's million dollars to look at what some transitional funding

-- we might need to be looking at or where gaps have been identified, but definitely to probably work with staff, probably work through public health and human services and then bring it to the full council still within the con sex of what we'll be going with the

-- context of what we'll be going with the following year.

[05:24:59]

>> Mayor Leffingwell: Since it sounds like it's for a different purpose really, instead of the five percent across the board addition, maybe you would be on the safe side just to reconsider the same amount and say it will be used for transition money for these agencies.

>> Morrison: I guess it will be

-- I'd like to say it will be used based on recommendations from public health and discussions with the full council, potentially for transition funding. I just wanted to leave it as open as possible. So this million dollars, but it's ongoing so we will be able to add a million dollars to the pot of money we will be allocating with the rfa. So I'm happy to make the motion to reconsider and

--

>> Mayor Leffingwell: Why don't we do that real quickly. So councilmember morrison moves to reconsider her motion for one million dollars for additional social service contracting with whatever words you want to add.

>> Morrison: With the clarification that it is ongoing. We will look at the rfes that will start with

contracts september of 15, add a million dollars additional to what was planned, but we will also identify funding through discussion with public health and human services, staff and council, for the one million dollars that will be available october 1, 2014.

>> Mayor Leffingwell: So with that clarification are there any objections to reconsider and revise this? Let me just say I'll object only because I voted against the original proposition and my reasons for voting against reconsideration are

-- it's really a vote against the original proposal.

>> Morrison: If I may, mayor, I think that after this is over we may still have some outstanding social service needs that have been identified as very critical like after school and things like that. So we'll have this under our belt and have even more information about what to do with this year's funding. Thank you.

[05:27:08]

>> Mayor Leffingwell: Those in favor say aye? Opposed say no? That passes six-no with myself voting no. Now we'll go to councilmember tovo.

>> Tovo: Sorry, I have late breaking news that I need to

-- okay. We have

-- as we've talked about last week and today, we have received some requests from aids to assist in some of their

-- some of the programs that have currently operated through their budget and we did make a decision about one earlier. The other two remaining items are the family

-- two of the other remaining items, I should say, are the family resource centers and the after school programming, both of which have suffered significant cuts this year and are not

-- and some of which are not operating to one extent or another. Mayor, would it be acceptable to combine two items, two amendments into one motion?

>> Mayor Leffingwell: I think that would be basically unfair? I think you should confine yourself to one.

>> Tovo: Fine.

>> Mayor Leffingwell: Not to me, to all of us.

>> Tovo: Sure. I appreciate that. With understanding that I'm going to come back on the family resource centers here on the next round, I would like to make a motion that we support

-- that we allocate \$400,000 for after school programming. And again, I

--

>> Mayor Leffingwell: Is this referencing mayor pro tem cole's item 1.32?

>> It is.

>> Tovo: The original request was \$1.3 million to replace an expiring 21st century grant. Those programs, it's my understanding, have actually been cut for this year's school

-- at the schools where that programming was in place and we've been going back and forth with the school administration this morning. And the bare bones programming that they could do would be 400,000 to get some after school programming back in the schools that had those programs cut. And this is certainly a municipal purpose. It's something that we've funded through our health and human services funding before and I think it's very much in line with the conversations we've had about the

importance of youth programs and the important gap that those fill in our community. So that's my motion, that we allocate \$400,000 for after school programming to replace the 21st century grants that have been lost.

[05:29:54]

>> Mayor Leffingwell: So that's on item 1.32, inserting the number 400,000 instead of 1 million three.

>> Cole: Mayor, I just wanted to add that when the school district officials were here and we asked them what were their priority items they mentioned basically that it was a apparent support specialist and the after school programming.

>> Mayor Leffingwell: Okay. Councilmember morrison.

>> Morrison: I apologize if you've mentioned this already. Is this a one-time?

>> Mayor Leffingwell: It's general fund.

>> Morrison: I'm going propose this as a one-time funding with the assumption that if the lawsuits are not helpful that we may find some funding through health and human services or through -- they may be able to seek some grant funding that would supplement those resources.

>> Mayor Leffingwell: Okay. So that motion is revised to show 400,000 in one time instead of general fund. Is there objection? I object. Those in favor say aye? Oppose said no. That passes six-one with might self voting no. Councilmember morrison, you're next.

>> Morrison: Thank you, mayor. So our health and human services department had been awarded a grant called the community transformation grant, and it was a federal grant that was supposed to be a five-year grant, but the federal funding was cut after year three. It's a million dollars each year. They have done really, really fine work in terms of going after

-- it's their chronic disease programming that it funds. So it goes after the diseases that obviously are some of the major killers in this city, especially for instance diabetes, they go after tobacco cessation and all. And I was amazed to read in the statistics main this morning

-- statesman this morning there was a woman who was diagnosed with diabetes. And the article stated that in 2012 12.4% of the people that were

-- that make under \$25,000 a year were diagnosed with diabetes. That's a pretty spectacular issue that we have to deal with. The money that's invested in this comes back to us in improved health and of course decreased medical costs, public health costs. So it was a million dollars. It's been identified, and I realize a million dollars

-- this would be a one time 1.47. They're currently getting a million dollars and I see

-- I know we have to spread the funding around. So what I wanted to do was propose that we fund this to the tune of \$410,000. That falls under what they would consider their priority one as core staffing and basic operating so that it would be

-- it would allow us to continue with our tobacco program coordinator, our health educator and administrative person, our obesity program coordinator and a program evaluator and epidemiologist. So again, this would be one-time funds. And I know we have staff here if anybody has further questions, but they've really done some fine work at 4 then thousand. 410,000 critical one-time and zero general fund.

[05:33:42]

>> Morrison: Correct.

>> Mayor Leffingwell: Is there objection? I will object. Those in favor say aye?

>> Aye.

>> Mayor Leffingwell: Opposed say no? No. That passes six to one with myself voting no.

>> Spelman: Mayor, since we're keeping score, which item number is that? 1.47.

>> Mayor Leffingwell: And you are next.

>> Spelman: I am. Mayor, I have a question before I offer an item. I was preparing to offer item -- let me see if I can find the number. 1.35 at a lower amount. And I want to be sure I understand what has happened to this amount. 1.35 is increase in library hours. This would open our branches on thursdays and fridays and align the hours with the newly opened branches so that each branch offers the same hours of service. An earlier estimate from our library staff was that that would require a minimum of nine ftes at a cost of 328,168. In a recent addendum they suggested that would be the cost of temporary employees, not full time employees. And that there would be some supplies associated with these positions. I think the supplied cost is only 13.5. That's relatively small. But the conversion from those jobs to full time jobs would increase the jobs from 328 to about \$705,000. Is that accurate? >> It is.

>> Spelman: Help me understand how this changed then. Is it because it would be bad practice for us to hire nine temporary employees? Do we have employees that are part time and temporary, and we're converting them to full time? How does that work?

>> I think when we responded to that budget question, which was I don't know how many weeks ago, the response we initially had was for the \$375,000.

>> Spelman: 328. 328,000. In reviewing this I noticed that seemed like a small amount of money for the nine ftes that were listed on our summary speed set and I was right it didn't include the benefits. The library's intention was that it was nine additional positions.

[05:35:58]

>> Spelman: That's the same thing?

>> He's correct.

>> Spelman: So if we wanted

-- what I was looking for was something what was a midpoint between of full phrase of going back to our prespeak investigation hours and our position to accept all the cuts and hours over those of the ensuing few years and bring some of them back. And scenario two would still bring us part way to our prerecession numbers, but not the full fray, not all the way out. But it would have all of those additional fte's would be loaded and would get benefits. And then the previous version that we have looked at under scenario two would not.

>> That's correct. We've given you two scenarios. One would be to reopen branches five hours. Those who are closed on thursday would reopen five hours and those closed on friday would reopen five hours. The third scenario would align the programs so they're all open the same hours so it's less confusing for the public.

>> Spelman: I think the worst thing we could do is open for hours that people did not understand. And they thought the library was open and they were surprised to find the library turned out to be close when had they showed up.

>> Right. That's what I was trying to do in the three options.

>> Spelman: Thank you. And mayor, with some trepidation, because it's a higher amount however, it includes benefits for all the employees, we'd be staffing those library hours, I would move item 1.35 for the amount of 506,952. Let me add something to this number. And that is this a two-fer. By putting more people in the branches, they're not only going to be helping customers, helping our patrons, but they will be able to do what was one of prison branch's highest needs, which is to get the books that were returned back on the shelves and available to all of our patrons no matter what the hours were. So we're getting double benefit out of these employees. Mayor, 135.

[05:38:02]

>> Mayor Leffingwell: Is there objection to that? I will object. All in favor of that say aye? Opposed say no? That passes by unanimous nay that passes six to one with myself voting no.

>> Cole: Mayor, I haven't went? Went.

>> Mayor Leffingwell: You wanted to go to? Okay.

>> Cole: I wanted a turn. Mayor, I would like to draw everyone's attention to item 1.16. It's phase one of an updated citywide historic resource survey. We're hearing over and over concerns about austin losing its character and maintaining historic preservation. This has been around for awhile trying to actually get this survey done. The priority neighborhoods would be the east austin survey area and bouldin and tarrytown survey. So this would add additional staffing to get that done and it's \$300,000 in critical one time needs. And then it is also 66,000 from the general fund.

>> Proposal by councilmember cole?

>> Cole: Item 1.16.

>> Martinez: Because 300,000 is from one-time expenditures I wanted to -- it looks like we're awfully close to the end of available resources under one time critical need?

>> Not taking this account into action we're at 563,000 for critical one time.

>> Martinez: Thanks.

>> Tovo: So we're at 560,000 and then how much in ongoing? 1,471,228.

[05:40:07]

>> Tovo: And mayor pro tem, would you remind us?

>> Cole: 300 for one time and 266 for general fund.

>> Mayor Leffingwell: Comments? I'll object. Further discussion? All in favor? Opposed say no. That passes on a six-one vote with myself voting no. Now, do you want to reiterate your wrap-up? For round two?

>> Can you give me the item number, mayor pro tem?

>> Mayor Leffingwell: 1.16.

>> That takes us to 1 million four thousand for ongoing general fund.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: I'm trying to track it too and my numbers are a little off. Would you mind going through?

>> Not at all.

>> Morrison: Starting with e.M.S.? Well, maybe starting with what we've added.

>> It may be

-- well, it would probably be easiest for me to go knew mayor kically. They're listed 1.1 through 1.51. I have 12 items having been approved by council. First of those being 1.10, 1.10 for snap, 112,241 general fund cost. Next one being 1.16, which was just passed, \$300,000 in critical one-time, 66,448 for general fund. Next 124, 321,000

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>> Morrison: Wait. I don't have my numbers in here.

>> Councilmember morrison, additional e.M.S. Command unit, 391,726, critical one time. 265,697,000 general fund. That would be an fy 15 cost for six months implementation. Item 1.30 from councilmember cole, aisd support for parent support specialist, credit debt one-time, one and a quarter million. 132, councilmember cole funding for aisd after school programming, inspiring 21st century \$400,000.

[05:42:49]

>> Spelman: I believe that was councilmember tovo.

>> I'm just reading the sponsor on the sheets. Item 135, councilmember spelman, increase library hours to open branches thursday and fridays. That was \$506,952 general fund. 140 sponsor councilmember riley, additional funding for the music division. That is split per the economic developmental indication model 6321 for the general fund, 21,679 for combined for austin energy add the water utility. Item one 44, sponsor councilmember martinez to implement recommendations from the hispanic latino quality of life resource advisory commission. There was two items there, two subsets there. 300,000 for enrollment for this unensured affordable care act and \$75,000 for rundberg health issues.

>> Cole: Will you give us the numbers again? 144 with a total of 375. That was \$300,000 to help get folks enrolled in the affordability and \$75,000 for rundberg health issues. 146 was sponsored by councilmember morrison. One million dollars general fund. 147 replacement funding to offset the loss of community transportation grant one time 410,000. You. 2150, sponsor councilmember spelman, part time administrative specialist for auditor's office, there's no cost associated with that and a reduction in their office of vacancy savings of 161,000 to \$20,000. It's our other funds, 49,122.

>> Morrison: That doesn't get added into the tally that we

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[05:44:50]

>> that doesn't get added into the tally. I can give you that tally too when we're almost done. And item 12151, sponsor councilmember martinez, this is actually not in your binder, but extra funding for capital idea. That was \$350,000. We've done the math quickly and capital idea funded by our economic development department currently and done the allocation math real quick and that's 69,988 general

fund impact and 280,012-dollar impact to austin energy and austin water utility. We've done that for you. I should started at the bottom. That's probably where we're all off. The bottom line then leaves a remaining 262,916 for critical one time, 1,040,070 in our general fund. The enterprise departments, a combination between the social support services fund, austin energy and austin water, the combined negative impact to those pending balances is currently 352,813. And I would not think we're at a point where we needed to come back and talk to you about the rates of those funds. I think we have sufficient ending balance to address that in those funds at this point in time.

>> Thank you very much. You have two councilmembers sitting on this side that feel much better now.

>> Mayor Leffingwell: Say the one time.

>> Critical one time remaining is 262,196.

>> There are five of us now who are all in agreement. [Laughter]

>> Mayor Leffingwell: The hour being almost noon, council, I would suggest that we go into closed session to take up two items. Pursuant to 551.071. Pursuant to 551 of the government code and 072 of the government code the council will consult with legal counsel and discuss a real estate item regarding the following items, item 14, legal issues related to real property acquisition of approximately 75-point one acres intersection of bull creek road and 45 and pursuant to section 551.071 of the government code the council will consult with legal counsel regarding item 15, legal issues related to the city of austin 2014 labor negotiations with employees in the fire department. Without objection, we are now in executive session.

[08:28:18]

>> Mayor Leffingwell: We're out of closed session. We discussed legal items related to 14 and 15 and real estate issues related to item 14. So we'll go back to where we left off and we left off with place number 1 with the opportunity to propose an amendment.

>> Riley: Thanks, mayor. I'd like to raise the subject of the umlauf sculpture guard. As many people have recognized the facility is now in possession at the house at the top of the hill as a result of the passing umlauf has immediate needs in the amount of \$65,000, and frankly that's just a matter of city being a responsible steward of the property in possession. Unless we tend to the needs we're going to see degradation continually jeopardizing the facility as well as the artwork and other artifacts within the house. We need funding to take care of the place so in addition to immediate one-time needs related to the facility, there is an ongoing operational expense.

>> Mayor Leffingwell: Is this a new item?

>> Riley: This is item 1.14, tab b 14. The critical one-time expense is \$65,000, the general fund amount on ongoing basis is \$118,000, which in addition to the \$82,000 they currently have in the budget would bring the umlauf facility to \$200,000 annual operating needs, which is the estimate we're told is really a minimum necessary in order to maintain the expanded facility. We talked about this a lot. It is the matter of the city being a responsible steward of the property and I think it's something we need to step up and take care of. I would move to amend the budget to provide those needs as set out in item 1.14.

[08:30:30]

>> Mayor Leffingwell: Okay, so that's amendment by councilmember riley for increased funding for the charles umlauf home studios. Is that critical one-time 65,000 general fund, 118,000 as published?

>> Riley: That's right. It's tab b 14, item 1.14.

>> Mayor Leffingwell: This is an item submitted by mayor pro tem cole.

>> Riley: That's right.

>> Mayor Leffingwell: Comments? I'll object. Discussion? Councilmember morrison.

>> Morrison: I'm just going to say I'm going to support this. I think we need to invest in our assets and this is one way to do this.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: This is the type of public-private partnerships we have been aiming for over the past few years and I'm glad the umlauf financial supporters plan to help meet us with this.

>> Mayor Leffingwell: Those in favor of the motion say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. That passes on a vote of 5-1 with myself voting no and councilmember spelman off the dais. Councilmember martinez.

>> Martinez: Thank you, mayor. This is going to be tab b 4, item 1.4. They have to proposal to invigorate our relationship with existing local businesses as opposed to going out and recruiting companies that come here and really creating some programs that I think could be a huge benefit to the economy here in austin as it relates to ensuring that we have the property workforce in place for the job demands that we know will be coming, working with groups like the dell medical school, the innovation zones and working on issues like digital divide initiatives. I think that it is a worthy investment and it's structured like much of our funding through economic development where it comes from different areas in the budget. So this would be a total agreement of \$230,000 expenditure, 35,992, which would come out of the general fund, and then \$194,008 would come from the other enterprise funds that make up the economic development department. This would allow them to expand their existing partnerships and reach beyond the city of austin with folks like cedar park and leander and elgin and pflugerville. I just think it's worthy of our consideration and ask council to support this.

[08:33:30]

>> Mayor Leffingwell: I'm going to object. For discussion I'm going to ask economic development to comment on this since it takes \$194,000 out of your department funding. Coming indirectly from the utilities.

>> Kevin johns, director of economic development. We did work with the austin technology council at council's directions for several months and put together a proposal modeled on the opportunity austin regional economic development system. And so we've put together a work plan and recommended 10% of their overall funding be funded by the city with the larger amount being funded with participation of other governments and local corporations similar to the opportunity austin model. So that was our recommendation, which is I think 77,500.

>> Mayor Leffingwell: So that's what's already in the budget? 65,000 is in the current budget. So we would be asking for 12,500. The austin technology council, who is here today, of course, is looking for a total of \$290,000.

>> Mayor Leffingwell: And your recommendation is for 775 where that would be an increase of 12,500 from the general fund, I assume that could be.

>> That's correct.

>> Mayor Leffingwell: All right. Thank you. So I would be

-- I would be open to that motion if it were revised to be 77,000 or

-- this would be an addition of 12.5 from the general fund, but otherwise I'm not going to support it. Councilmember Tovo.

>> Tovo: Mr. Johns, I wonder if you could speak to that point and talk a little about the rationale for

-- for not funding it all out of the city of Austin and why you believe the model of having different municipalities makes better sense.

[08:35:45]

>> First we appreciate the Austin Technology Council. They are a very important part of the local economy. And so we are on record as being in favor of an increase. Currently we're funding the Opportunity Austin, which is the regional chamber effort in economic development to the tune of about \$350,000, which is 10% of what their overall budget is. And so that model is also regional model in that their corporations by memberships as well as local governments like Round Rock and San Marcos and other communities participate financially in the regional effort. So our logic was that this should be modeled on a similar regional.

>> Tovo: Do you know if the Austin Technology Council has had those discussions with some of the other partners that might be expected to contribute were it a regional model?

>> I believe they have. I think that question probably is best directed to Julie, but I know that they want to do that. I think just the ramp-up period is the major issue.

>> Tovo: Thank you. Actually, Mayor, I would like to direct that question to Julie of the Austin Technology Council.

>> Good afternoon, Julie Hall, CEO and President of the Austin Technology Council. Thank you for the opportunity to address the question. We

-- first of all, we are excited to have the conversation about a potential public-private partnership as it relates to whether or not we've had conversation with other municipalities, we've had very initial conversations with San Marcos and Cedar Park. I think generally speaking we're a bit concerned about the amount of time it would take to ramp up additional partnerships with additional municipalities. The work that we've really focused on here with the City of Austin is pretty comprehensive and we've spent a lot of time with the staff really to make sure that the work and the scope and the metrics are comprehensive. So the proposal that we're having for is the \$290,000. Industry -- it should be noted, as committed almost \$500,000, which is roughly 62% of the overall cost of the initiative.

[08:38:20]

>> Tovo: Thank you. I'd like to ask my colleague who made this proposal to

-- can you tell me the numbers again? Where are we? What

-- where are the numbers

-- excuse me, where the funding is coming from.

>> It would be 35,992 out of general fun 16,688 out of austin energy, 23,906 out of water utility and 3,054 out of [inaudible]

>> Tovo: My next question is more mr. Van eenoo. Do you have a sense, we had a proposal earlier today and you indicated that

-- at that point it wouldn't require adjust of the rate for the water utility or austin energy. Where are we in terms of that circumstance?

>> Well, I think our main concern at this time would be keeping an eye towards the water utility who has actual debt service requirements they have to maintain and all these things, their operating budget play into that calculation. I think around a quarter million dollars is where staff would have to take a quick retrenchment and we are not near that amount. For the austin water utility it's about \$73,000 of an impact so far from all the decisions that have been made.

>> Tovo: So there is some irony in cutting water-related youth education programs from the water utility budget and adding back responsibilities from maybe some of these other programs? I guess that's a comment rather than a question. Can you let us know where we are with regard to the one-time critical funds and also the general fund?

[08:40:24]

>> With this item not being included yet, we're at 197,916 for critical one time and 1,286,000 for the general fund.

>> Tovo: Thank you. And councilmember martinez, I wonder if you could speak to why you believe this funding model makes better sense than the one that the staff recommended of having different regional partners participate in that cost.

>> Martinez: You know, we always get a staff recommendation and atc has been working with staff and staff has made their recommendation. Atc has come with alternative proposals they think could provide a better benefit. It is not necessarily an indication of disagreement with staff, it is simply a proposal to try to enhance the relationship even more so than what staff has requested. The commitment that I understand from atc is they will go out and do all they can to find other regional partners, but that it is very difficult and that this would solidify the ability to do that, to show they have a strong partnership with the city of austin. But julie, if you want to add anything else to that, please come up. I think this would certainly allow you the conversation to have to demonstrate that you clearly have a solid partnership with the city of austin and therefore maybe give you a more competitive edge with the other organizations.

>> Absolutely. So I will just reinforce that point. Industry has made it very clear that they have love creating jobs in central texas. They are excited about the future economic impact that tech will continue to bring to the region. I think the industry is concerned at least in the short and even the long-term about some of the challenges that the industry faces as it relates to recruiting local talent. So a very significant piece of this public-private partnership involves working very closely with the city of austin and eventually with other communities to make sure we have an adequately prepared local workforce. There's, again, no question on the part of industry that we're very interested and working not only with

the city but also with other communities, but it has taken us a good 12 months or so to really establish a strong working relationship with the city of austin and our concern would be that if we would wait longer, it just means that more jobs go unfilled and more locals will have a tougher time entering into the tech workforce.

[08:43:06]

>> Tovo: And I assume if this item passes, we would always have the option of reevaluating next year. If you are able to sure some of the regional partners

-- one of my concerns it's proposed as an ongoing against and if you are able to do what staff recommended of securing the other partners, I would like those other partners to absorb more of the cost and shift from the city of austin.

>> Absolutely. And I believe that, again, industry really has a vested interest in the broader communities, not just the city of austin. There are future employees coming from other markets. Again, I think it's just a question of timing. There's no question also that industry, as we all know, is very performance driven and very metrics focused. We have spent a lot of time of the staff of edd and internally and with the board of directors and stakeholders to make sure this proposal really is first and foremost based on the collection of a lot of data up front to really make sure that whatever direction these initiatives move in are the right direction from the get go. Tech is all about efficiency and evaluation so there's no question we would do that after the first year.

>> Tovo: But you would

-- you would not have concerns about

-- about a decision today that is

-- that assumes that the city is going to reevaluate that in a year and perhaps make some very different funding decisions based on your outside [inaudible].

>> That's correct.

>> Tovo: Thank you. Appreciate it. Appreciate this discussion.

>> Mayor Leffingwell: My concerns are, number one, taking money out of the water utility and out of the austin energy or energy utility, given the fact that both of those groups have been severely stressed over the last couple years. Both of them are losing money right now. And I think, you know, it's not an overwhelming amount of money in the big picture, but every little bit counts when we're talking about that. This is a huge increase. I would be, as I said, I would be willing to support the incremental increase that was recommended by staff, the people who study these kinds of things. I would also point out voting against this is not voting against tech industry recruitment because we have several organizations in the city that we currently donate to that are doing this job also. So I certainly want to support atc, but not to this extent and at the expense of the water utility and austin energy.

[08:45:55]

[One moment, please, for change in captioners] is.

>> I think shy of about \$7,000.

>> Morrison: What are you saving that for?

>> We can add it to it.

>> Morrison: No, I was just kidding. [Laughter]

>> Mayor Leffingwell: There's always the possibility we could save it for the taxpayers too. We don't want to forget them in this. Any other comments? Those in favor say aye? Opposed say no. That passes on a vote of five to one with myself voting no and councilmember spelman off the dais. So councilmember tovo.

>> Tovo: Mayor, I'd like to propose 1.18. We passed a resolution

-- this is tap b-18. We passed a resolution in June recognizing that two of the family resource centers that serve our community are

-- were at risk of imminent closure. We did provide them with some funding that was available under the city manager's administrative authority, but that left a balance of \$43,000. I had intended to propose that as one-time critical funding, but it is an ongoing need. And so I believe it's appropriate for our ongoing

-- our ongoing needs. 43,000. This is 1.18 on the yellow sheet. It's identified under my name and it's in our binder as b-18. Begin, this is based on a resolution that I believe was unanimous that we passed back in June. Just as another point of context, when we heard about this, that the joint subcommittee of the city, county and Aisd, it was agreed that the county would go and ask for \$100,000 to support the family resource centers that were threatened with imminent closure for this school year and the city agreed to do the same, so we brought forward a resolution to the city council which was supported in the amount of \$100,000, 57,000 of which has already, as I understand it, been identified by the city manager and forwarded under the city manager's administrative authority, which we granted by way of passing this resolution. The other 43 is what we're talking about here.

[08:49:17]

>> Mayor Leffingwell: Councilmember tovo proposes to provide \$43,000 out of the general fund to the family resource centers. Comments? I'll object.

>> Cole: I would also to say that we also heard from the district about the needs of this item and it coincides with the item that I have as 1.29 and I will [indiscernible] with the 46.

>> Tovo: Thank you for making that point. They did request an additional amount. They asked an additional 500,000 in addition to this 100,000 that we had already talked about. And I wish we had ability to do that full amount because the family resource centers are tremendously valuable to the families in our community. They really serve the whole family, not just the students. Exclusively, but hopefully that's a need that our health and human services group committee might take up as part of the extra funding that's coming through the HHS budget.

>> Mayor Leffingwell: I appreciate their sacrifice, but I will still be voting no. Those in favor say aye? Opposed say no. Passes five-zero, myself voting no and councilmember spelman off the dais. Councilmember Morrison.

>> Morrison: Thank you. I might need staff's help with this. I've spoken before about trying to restore our winter aquatics hours that we had. I guess they were cut back when we were looking for some cuts. We had to

-- to remind everybody, we had partnered with Aisd and we

-- both entities invested funds into heating equipment for two pools so that the kids could have swim team and all. We've looked at that under 1.26. And I had asked to look at the costs
-- there were two options that our staff had proposed. One was if we had it eight hours daily and the other was if we had five hours weekday and four hours on the weekend. And I asked them to look at the smaller amount for all three pools. We had the equipment at dick nickels and balcones and then recently we added bartholomew and it was built with heating equipment. And the smaller number of hours would amount to 595,000 in ongoing costs and 35,000 in one time costs. I realize it's a big chunk of change. I did talk with the superintendent and the vice-chair of the school district board. And they were very excited about the possibility of not only doing swim team, but also the idea that

[08:52:31]

[indiscernible] had come up with which was why don't we get some certification in place so a high schooler could take pe classes to get certified as lifeguards and that could help them get jobs in the morning and

-- in the summer and then also it would help us staffing our lifeguards. I want to ask staff because I know that's a lot, if in fact they have the numbers, if we were to just pilot this at one

-- at bartholomew instead of at all three pools this year. I think I might have asked if you were going to be able to have that funding available.

>> Bartholomew.

>> Morrison: It was just bartholomew.

>> I think it was

-- I believe it was broken out in the response. I'm looking at the five hours addition would be 133,000 # hundred for just bartholomew. 133,000 # hundred for bartholomew.

>> Morrison: Okay. I think because it was a large amount and would be partly about the

-- working with school district to get those programs in place, also to say that obviously this semester has started so we might not start those programs right away. I'd like to go ahead and make the proposal that we do just bartholomew with a couple of other comments. There is also a one-time vehicle cost of 35,000 and we're out of

-- we're out of one-time money. And I'd like to ask staff if we could do without the one-time vehicle cost if we only did one pool and there wasn't as much transportation. I see kimberly.

>> I'm kimberly mcneely, assistant director. I hesitate to say yes because I want to provide the best service possible to the public and we have limited vehicles and limited full time staff to be able to get around to all the swimming pools that we need to get to. And so I'm concerned that we'll be in a situation where we're asked to meet a demand, but we'll do less than the quality jobs that we are expected to do without the right amount of resources.

[08:54:54]

>> Morrison: Can you help me understand because I would think we have enough vehicles to do all the aquatics and get to all the pools in the summertime.

>> We don't have enough vehicles. We don't have enough vehicles to do all the things that we're

supposed to do in the summertime and we struggle to do all the things that we're supposed to do in wintertime. Sue this year was

-- although we did the best that we could this year, was a tipping point where we still had concerns about not getting to places in the amount of time, and you had given us additional staff members to do that and we're still in a situation that we fielded a number of complaints about not having certain places open. So I just hesitate to say that we could do it because we have older vehicles. We have

-- we're struggling as it is and you're asking us to increase our services. So what I'm afraid of is if we don't get all that we've asked for we'll be in a situation where we're going to disappoint some folks.

>> Morrison: Can somebody help me with any ideas because it doesn't make sense to me that we can service 50 pools in the summertime and we're only asking to service one pool in the wintertime.

>> I'm not saying that we can't do it. I'm saying that I'm fearful that we might be disappointing some folks. But we will be grateful for whatever it is that council is able to give us and we'll do the best job that we can, but I get nervous that

-- I'm just going to come out and say it, this year we made a commitment that we would open up all the pools and we really thought that we could do it, but we hit the breaking point where we didn't do

-- we thought we were going to be able to do, and it was because we didn't have the resources that we need. So I don't want to put our department in that same situation again. But I also respectfully do not want to turn down the opportunity to provide the service because we think it's important.

[08:56:55]

>> Morrison: Right. I appreciate that. And I appreciate the commitment that you all have to really try to provide the service and our pools are very popular in the summertime and you guys were really under the gun this year. So I think that just based on sort of the logic that it looks like really

-- if we get you extra staff there are going to be some trucks that people aren't driving because it's not summertime. I feel rather comfortable saying let's go ahead without the one-time cost especially if it's just the one pool to start. But I'd also like to share with my colleagues that another item that I did have was one-time cost of \$100,000, which would have paid to hook Bartholomew up to the gas line to east 51st street. Right now as it is, their heating is going to be with propane, which is more expensive than gas. And we're doing the east 51st street makeover this year, so it seemed to make sense that it would be significant savings. It would save

-- it would be paid back in

-- I think they computed I forget how many years, three years or five years or something like that because gas is so much cheaper. I'm not going to ask for that because I am in contact with Texas Gas talking

-- great idea, I know. And talking about

-- it's a possibility that they could help us with that. So I think it would make sense to just continue those discussions. So this would be a one-time cost of \$133,700. And I think that it's an exciting opportunity for getting some programs going with AISD that really our win-win for everybody. I'd also like to mention that the Bartholomew pool obviously is in the area where we've got the vertical team with Reagan and all those schools and it's in

-- with lots of students from areas that have

-- are absolute hot spots for public health issues for the kids in terms of obesity rates and diabetes rates as well as low rates of knowing how to swim. So I think it's a really
-- it's an exciting opportunity. And to pinpoint bartholomew to get it going I think is a good idea.

[08:59:32]

>> Mayor Leffingwell: This is item 1.26. And could you give me the numbers again?

>> Morrison: It's \$133,700.

>> Mayor Leffingwell: For general fund?

>> Morrison: Yes, ongoing.

>> Mayor Leffingwell: How about one-time?

>> Morrison: None.

>> Mayor Leffingwell: Okay.

>> Cole: So it's general fund?

>> Morrison: Yes, it's general fund ongoing, 133,700.

>> Mayor Leffingwell: So maybe periodically I need to repeat that I like almost all of these projects, but I'm aware of the budget constraints so I'm going to object. And is there any other comment? Those in favor say aye? Opposed say no? Passes on a vote of five to one with myself voting no and councilmember spelman off the dais. Mayor pro tem cole?

>> Cole: I have a question. Do we have any funding left for one-time expenditures? 7,162.

>> Cole: And what do we have in ongoing?

>> Ongoing 1,074,078.

>> Cole: When we have an item listed as other funds, what does that mean? We have critical one-time general fund and

--

>> it's the enterprise fund. It's a result of our cost-sharing models. I believe the costs associated with the other funds is \$356,067. That would primarily be austin energy, austin water and arr.

>> Cole: Okay. Mayor, I would like to bring up item 1.22. We've had lots of discussions throughout the year and recently about flood prevention and we know that most flooding occurs in cars and it occurs because people do not receive adequate notice or warning. So I would like to propose that the other fund number at 1.22 for citywide flood prevention protection and preparedness be as a motion.

[09:02:00]

>> Mayor Leffingwell: Proposal by councilmember cole. Is that 151,000 from other funds? For flood prevention protection and preparedness? One would think this would normally be under the pursue of watershed protection

-- purview of the watershed protection.

>> This particular item would be watershed protection. The previous items we've taken action on so far, this particular item would affect the watershed protection department. I will say this has a companion item down on the capital side of it. This is just the operating piece of the flood prevention preparedness.

>> Mayor Leffingwell: Companion is over a million.

>> Companion is over a million associated with the technology and flooding system. I think this is for staffing related to the education national efforts and things. But I'm sure

--

>> Cole: It can actually be used in the cl item.

>> The companion item would have to take place pushed item 2 of the agenda when we get to that.

>> Cole: Mayor, I think a lot of times we're in a reactionary mode with huge financial demands and we need to make the investment in preventive items.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Is this the kind of item it that if we don't do the 1 point something million in one time funds then it's not worth doing since it's a companion?

>> I would have to look to watershed staff to answer that.

>> Mayor Leffingwell: And they are here. He is here.

>> Jose guerrero, assistant director, watershed protection department. This is the item for 151,000 is for added warnings for television ads during storm events. Current budget is not sufficient to do tv advertising. With this additional funding we could as a department incorporate all the activities. If the other items plus give

-- this additional television advertising, expand social media and get the flood message out there during storm events and in participation of storm events.

[09:04:20]

>> Morrison: So it does stand on its own. And what's the companion item that costs over a million dollars?

>> That is for the technology of all the gauges

--

>> Mayor Leffingwell: 2.8. Item 2-poi # is 1.135 million.

>> Morrison: And that's to add more gauges and other things?

>> Enhance our system, make it better, make it operate better with an lcra system, usgs systems, harden the gauges, remove them out of the flood risk area and make sure that they're available for the full benefit of our central texans.

>> Morrison: So that would come out of critical one-time funds where you're suggesting that watershed could

-- it would be reasonable to take it out of your

-- straight out of your budget potentially.

>> Correct.

>> Morrison: For the advertising.

>> That's right.

>> Morrison: You said that would be like during flood events and things?

>> Yes. To get the advertisements out there and also to place the advertisement on buses, cabs, get the message out that we have a lot of new residents in austin that need this flood message. They don't necessarily understand the dangers of being and living in flash flood alley.

>> Cole: I'll just add that a lot of the criticism that we've received in terms of handling the flood victims

was because we simply could not get your messaging out despite good intentions. I think this is a preventive measure.

>> Morrison: I'm supportive of it. I think we had a rather in-depth discussion about the potential to use our co's to do buyouts in the onion creek area and one of the things that you think you brought up was we've got floods in a lot of places and so this is a way that we can at least begin to address it more generally. And I don't want to say we don't address it more generally, but that's one of the reasons that I support it.

>> Cole: We definitely have a citywide issue with flood prevention and have several in the floodplain, especially the 100 year floodplain and this would help notify those individuals if there was a flood.

[09:06:35]

>> Morrison: Right, get them all educated.

>> Mayor Leffingwell: As a matter of fact, we have over 5,000 buildings greater than 400 square feet in the 100 year floodplain.

>> Cole: I was trying to remember the numbers. Thank you, mayor.

>> Mayor Leffingwell: I just want to get clarification. You're proposing the 151,000, but is that out of the general fund now or is it still out of austin energy and water utility?

>> I think ed recommended watershed protection.

>> That would be general.

>> Mayor Leffingwell: That would be general fund.

>> Cole: But that department.

>> Watershed protection is its own enterprise unit and funded through the drainage utility fee.

>> Mayor Leffingwell: So it's still under other.

>> It's still under other. This is a department that's similar to the water utility, right up against its reserve policies, 30-day reserve policy. It right there in terms of our fy 15 projections. This expense could push them below that. Maybe necessitating a slight increase in the rate or council may have to elect to forego its policy in regards to a 30-day reserve. Diane there to tell me that I'm right or wrong?

>> Technically you're right, but we're looking at ways we can shift around a few of our operating items so we could accommodate this.

>> Cole: I would not like to raise rates.

>> Neither would we.

>> Mayor Leffingwell: I think that would kind of need to be etched in stone before we vote on this item, that it will not cause an increase in the drainage fee.

>> Yes.

>> Any increase in the drainage fee would have to come under item three and what I'm hearing is we will not be bringing that forward.

>> Mayor Leffingwell: No matter what, it's not going to increase the drainage fee. I just want to ask you a question. During this money in your budget, did you ask for this item?

>> We did not have it in there, per se. We've got some similar items and we've got some additions that we're putting in for increased education and outreach, but this is additional to that.

[09:08:47]

>> Mayor Leffingwell: So you already have increased outreach. This is additional, but you did not request this in budget.

>> No.

>> Mayor Leffingwell: Okay.

>> Cole: Mayor, this came up in response to a resolution asking for staff to provide lots of information when we were evaluating the onion creek buyout.

>> Mayor Leffingwell: But what I'm hearing is that they made a request for a certain amount of money for increased outreach with regard to flood issues and that this is in addition to what though requested.

>> Cole: This is an addition based on the research we did about what was leading to the large amounts that we're having to pay.

>> So based on that I'll object.

>> Cole: I thought I had you. [Laughter]

>> Tovo: I have follow-up questions along the same lines. I know you've been through this just a few minutes ago, but I didn't have my paper in front of me. Can you tell me exactly what we're funding out of exhibit b? Please?

>> Yes, we would lengthen the advertising campaigns on flood, get the flood message out to approximately 12 weeks. It is on exhibit b, the very past page.

>> I'm sorry, driver's education. I see flood warning sirens. These are not included. I see software not included. Big picture, this item would not provide for any additional sirens, any kind of warning system. It's really advertising. I think I heard you say social media, buses, there's not enough

--

>> there is not enough advertising to get the flood message out for approximately 12 weeks a year, explore other innovative advertising such as promotions on capital metro buses, through our tax cabs. One of our storms in october happened at like 200 oak in the morning when bars were letting out on sixth street and during acl. There's a whole other population that needs to get the flood message and we hope to expand and work with hotels and that community as well.

[09:11:18]

>> Tovo: I think it's critical we get the flood message out. I'm trying to understand how -- how a message on a bus would provide realtime information for people who need to know that there's an imminent flooding crisis. You were talking about the crowds -- the bar crowds.

>> Radio advertisement, television, commercials. That's what's included in this additional funding.

>> Tovo: I guess I heard you say that there was not enough money in the budget for that.

>> No. We have an increase in budget. This is in addition to what we have recommended for this year's budget.

>> So would this additional funding allow you to do radio and tv advertising that you can't currently?

>> It will allow us to do a lot more during the year, the fiscal year, year.

>> Tovo: So it will provide for radio and tv coverage for that

-- what's the exact amount? 151,000.

>> Tovo: I misunderstood you earlier. I thought you said it wasn't enough money to do tv commercials.

>> We have recommended an increase this fiscal year when council asked to look at it again. We have identified that we can move our operating budget and find 151,000 more to get us more effective messaging out to all our citizens and visitors.

>> So when you say that you're talking about the 151 plus whatever was already included in your budget. That together allows you to do those things.

>> That's correct. I think it totals up to 224,000 for all that activity.

>> Tovo: I'm sorry to keep putting you on the spot, but I didn't understand the kind of advertising you were doing about the bars letting out and taxi cabs. Those are not dynamic changing advertisements. So how do advertisements on a cab help you with an imminent flooding event?

>> Well, our general turn around, don't drown campaign. If we have stickers in cabs, information at hotels, that gets people I guess hooked on the information and if a storm happens, they will be able to find or go to the concierge at hotels. Just get that extra measure of coverage to our

-- not only our citizens, but to our visitors.

[09:13:40]

>> Tovo: Okay. Thanks. And I guess my last question is how much of this can we do but partnerships with these agencies? These are public service messages. Are we paying for something we could get for free?

>> I will have to

--

>> Tovo: On cap metro buses or in other places, on the tv? Are those not public service announcements? I was under the impression some of these would happen.

>> We partner to the fullest extent possible. I just saw a bus pass with an at xfloods.Com message or advertisement on our bus. We do value a few partnerships, but we'll certainly see about an increase in them and limiting the costs.

>> Tovo: So would the advertisement that you just mentioned, is that something we paid for, the city has paid for, or is that something that is a free advertisement going by on a cap metro bus?

>> I do believe we partner with cap metro on those. Our flood calendar, with the children we do every year, that flood message or poster is on one of our

-- some of our buses currently.

>> Tovo: For free.

>> That is a partnership that we currently have.

>> Tovo: By partnership, you mean they do it for free?

>> I'll have to get the confirmation on that, but yeah, we do partner as much and try to limit the costs on everything.

>> Tovo: Okay. Thank you. Mayor may I have to say I think it's weird we have to advertise on buses to turn around, don't drown and maybe the same for cabs. I've got to say as a taxpayer I always cringe a little bit when I see what appears to be a paid advertisement on television from the city of austin. Again, all in favor say aye? Opposed say no. No. Passes five-one with myself voting no and councilmember

spelman off the dais. Do we need to wrap-up before we go to the next round?

[09:16:07]

>> So that last item will hit the drainage utility fee raising the collect tim impact to our enterprise funds to \$507,067, critical one time there's \$1,000,062 remaining from the action the council took from the beginning of this and the general operating costs, 1,074,078.

>> Mayor Leffingwell: 567,000 was the first number? 507,067 is the various enterprise actions taken so far.

>> Mayor Leffingwell: And then I have 107708 on the general fund.

>> That's correct.

>> Mayor Leffingwell: So the one time was 5162. 7162. And I have 16 items having -- that have now been approved. And I think you said the bartholomew pool gas hookups, there would be no action taken on that. And I did have a

--

>> Mayor Leffingwell: Hasn't been proposed yet.

>> What I heard is it's not going

-- at least by the sponsor of the item, is not going to be brought up.

>> Mayor Leffingwell: Do you have the number handy how much we've proposed in the additions to the general fund so far?

>> The additions to the general fund so far are \$2,358,349.

>> Mayor Leffingwell: And to enterprise?

>> That's \$507,067.

>> Mayor Leffingwell: That's additional money.

>> Additional money.

>> Mayor Leffingwell: And the one time, general fund?

>> The one time fund, comes out of our general fund reserves increased by 3,312,550.

[09:18:11]

>> Mayor Leffingwell: Those are the additions, for a total of about -- let's see... Almost six and a half million dollars. Councilmember riley.

>> Riley: Mayor, and I want to ask a question about a small item that came up in the budget items and that is related to the austin tenants' council. There was a small amount that came up from several speakers in the amount of like \$7,000 and we subsequently heard from staff that that was

-- I think we heard that that's taken care of. That their funding will not be cut. That we have identified another source to make up for that loss. I wanted to confirm that that's the case.

>> That was a hallway conversation I had with the neighborhood housing folks and that was a reduction in the cdbg funds from the federal government and their 15 percent gap. This was an impact to that one organization, but I've been told that they will not be impacted.

>> Riley: So they will be made whole. Great. That brings me to a set of questions I'd like to ask of rob spillar, our transportation director. In particular related to pedestrian hybrid beacons. That appears as

item

-- on page 1.41 under tab b-27 I have some questions about that.

>> This is a program that's successful and popular and really helped to address pedestrian safety issues on some of our major corridors. I asked some questions about what we expect to be able to fund in the coming year and how that relates to the amount

-- to what we've been doing in recent years. And what I found was interesting. That we started in 2009, we had one in 2001, three the next year and in 11 and 12 we did 15 and then 11. Then the last couple of years we've dropped down to four each year. This coming year I understand we are funded for five, which sounds like a reasonable increase from last year. The reason I wanted to ask about it is that -- a couple of things. One is that the information that we got indicated that applying our current criteria there are 102 qualified locations that exist today. I wanted to find out do you think that mean we had requests for those in places and we think that there is a public need? And more importantly, I really just wanted to make sure that we are able to step forward and provide safety improvements on an as needed basis. Like on Lamar boulevard where we have a lot of development, including a lot of mixed use residential development, as well as transit service, which often entails people crossing the road, crossing a busy corridor to the extent that we find that there is an urgent public need that arises to address the safety issue that we would be able to respond and that-- I'm concerned about the prospect of running out of funding for improvement like these pedestrian hybrid beacons. And in situations where they may really -- there may be a serious need for that. Rob, could you just speak to that? And how are we -- how is it looking? Do we really have 102 locations that need these? How long is the current funding going to take us?

[09:21:54]

>> Sure. Councilmember, Robert Spillar, Austin transportation department. A couple of things on the numbers. These are rather new devices. They're exciting. It's one of the more exciting innovations in our pedestrian safety sort of tool box that we have coming forward within the last five years or so. And to the help of council, city of Austin is one of the leading municipalities in the state in terms of the number of knees devices that we've deployed. We get many requests for these devices and the 100 or so locations we've looked at and said yes, those could be good candidates. What we've tried to do is prioritize these each year as they come through and identify the ones that are most critical for addressing in the next year given staffing capabilities and risk and so forth. One of the things we've been learning over last several years, and I think this is evidenced by the fact that we had a spike of about 14 one year and started to go down to a number of somewhere between five and 10 probably each year. Is that we found that it is a great tool to use, but there may be other ways to address it. You mentioned transit. So one of the things we're working hard with capital metro and not only to partner on phb's where they make sense, but to also look at possibly moving the stop locations so we can take better use or make better use of existing signals in the area. So that we're looking more holistically at each location and asking ourselves is there a way to address the problem. That said, we do rank the different locations every year and try to address the top locations. So many on that 100 or so list are on our watch list that we continue to watch and deliberate just because a twice in a location is a good tool. It may not be the best tool. So this year we've identified funding for five. We typically fund these out of a capital fund so

that means a bond program, general bond program. We are near the end of the general bond program. We have been building these as well as signals on an as needed basis, so signals as well, we're getting close to the end of our funds. The current bond program that we have out there is for new capacity and one of the items on that bond compass is, councilmember, is funds for integrated transportation systems with regards to i-35. I believe that will allow us to invest in signals. Some of that money will be used to upgrade signals and add signals as they relate to our overall mobility program. That will probably free up some existing signal money that we can use on phb's. They're a type of signal and we can use those funds to do that. Our truly next bond opportunity would be when the city goes back to the bond market for a variety of operations, maintenance, related capital investments. If we run out of money and we have a critical need our belief is that we would come back to council for a capital investment request. That might take the form of a call for an emergency investment. We have not done that on signals before because we tried to pace out our ability to do signals. But we have been building them on an as needed basis. So that would be our route is to come back to council for a one-time funding commitment on a capital investment at that time. We are starting to set aside funds for transportation -- transportation fund investment in transportation to offset signal costs on a more regular basis. And so I believe we'll be able to build more than five ultimately with our current funding, but our projections are to build five in this next year.

[09:25:57]

>> Riley: Okay. I'm glad to hear you say you expect to be able to do more and that in the event that you don't have the funding that you need to meet the public need, for one, then you would come back to council and we would find a way to do that. That's the main thing I want to convey. These really do -- these can really address a very serious public need. Public safety need. I want to make clear from my own perspective, that the funding for these limited, council needs to be ready to step up and address needs as they arise.

>> That would certainly be the agreement we would make before council.

>> Riley: With that understanding I don't propose to offer an amendment addressing pedestrian hybrid beacons, but I would like to propose an amendment on a different matter and that is

-- actually completely different. Worker cooperatives. That is item

-- behind tab b-27, page 1.43. This is an item that we discussed previously that and we've all heard from members of the public. We have some great local businesses in the form of cooperatives from wheatsville co-op to black star. These are local businesses that can provide many public benefits. They tend to be longer lived. They tend to provide higher wages and more local spending. I think there's a real value to doing what we can to support that model and so I would move that

-- and the number that we've gotten to promote worker cooperatives is \$60,000. And that is an investment that I think would be well worth it and so I move that we amend the budget to provide the \$60,000 to support the development of worker cooperatives and our marketing for the cooperative business model.

>> Mayor Leffingwell: That's item 1.43. Councilmember Riley proposes 12,000 out of general fund, 48,000 out of other funds and that would be water utility and Austin Energy. And I will object.

[09:28:05]

>> Morrison: Mayor? Councilmember Riley, I didn't get a chance to read the memos that have come out the past couple of days. We maybe just got one. It's my understanding they haven't quite gotten to a point where they were actually recommending a dollar amount. Is that your understanding or -- where does the 60,000 come from?

>> Riley: Most recently I know it came from the Austin business cooperative, but I don't know where the number originated.

>> Because I know that staff has been working on the resolution that we did. I think it was

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>> Riley: Councilmember Martinez had an item on this.

>> Mayor Leffingwell: Mar.

>> Mayor Leffingwell: Mayor Councilmember Martinez.

>> Martinez: I believe it was from you and Councilmember Spelman and Tovo.

>> Morrison: Everybody is supportive.

>> Mayor Leffingwell: Submitted to the budget by Councilmember Martinez.

>> Martinez: That's right.

>> Morrison: That's terrific. It's my understanding that the staff hasn't gotten their arms around the amount, but it sounds like a minimal amount that we're talking about and I guess I would just ask that we do a careful reevaluation at the end of the year to see if it should really go up or down. And this is ongoing you're talking about.

>> Riley: I believe that's correct.

>> Morrison: Okay. Could you repeat the exact numbers again for what the hit to the general fund is again?

>> Mayor Leffingwell: 11,998. And \$48,002 from Austin Energy and Water Utility, I assume primarily.

>> Morrison: Thank you. [One moment, please, for change in captioners] resolution.

[09:32:31]

>> Carl Rows Rivera, Director of Health and Human Services. Most of our grant workers neighborhoods services unit. So whenever there's an emergency, we have to pull from those nongrant social workers, which are few, to man these stations, which causes

-- you know, it causes a greater deal of strain on the department. It also impacts our ability to meet the needs of the population. So what we're asking for our general funded social workers so we can be on the ready now that Austin Code has a new plan and we want to work effectively with them making sure we can respond whenever there may be a building that's not safe for occupancy, that we can make sure we can work with those family members.

>> And I truly do appreciate that analogy because I think that's the missing component. While I certainly do support court, we're missing that social work component of taking that individual in that distressed situation and finding a better outcome for them. This would be a request to fund three full-time employees under health and human services as a cost of 248,673 to the general fund.

>> Cole: And Carlos, can I ask you, is there a reason that you included this in your unmet needs, right is

this.

>> Yes.

>> Cole: And so you've done analysis and so you know these are badly needed positions.

>> Yes.

>> Cole: Okay. Any further comments or questions? All those in favor say aye.

>> Aye.

>> Cole: Those opposed say no. That passes on a vote of 5 unanimously with councilmember spelman and mayor leffingwell off the dais. We'll just leave him off the dais unless the lawyer tells me I can do that. Councilmember martinez. Councilmember tovo. You're up.

[09:34:45]

>> Tovo: Thank you. I would like to propose

-- I think I'm going to have to ask our pard staff to help me with this and make sure I'm understanding the information in our binder, but I would like to propose

--

>> Cole: Can you tell us where you are in your binder?

>> Tovo: Sure. At least I think I can. Page 33, b 27, and I think the amount I'm proposing is 35,500. This is to continue to transportation for our seniors who are attending the congregate meal program at the asian-american resource center.

>> Cole: Councilmember tovo, let's see if anybody from pard is here.

>> Tovo: I believe there are. We had an opportunity to talk about this last week. This year

-- in last year's budget cycle, we did allocate funding at the aarc. It's not covered by a federal grant and so they have provided transportation this last year, but they were able to do so in part because the program started so late in the year that they had the ability to provide some meals as well as some transportation. With the new year starting, they will not

-- that transportation piece will go away and so it would be our only senior meal program that does not provide transportation for seniors who would like to attend.

>> Cole: I think pard is here for you.

>> Tovo: Great. I managed to stall long enough for you to get here. I was thinking I was going to have to start telling jokes. Director hensley, thanks.

>> I was talking to some council agent.

>> Tovo: Sara, I just want to be sure I'm understanding the chart provided on page 33. We did talk about this last week. The amount that would be required to provide transportation for the seniors at the congregate meals program is 35,500.

>> That is correct. We were fortunate enough to get

-- sara hencery, director of parks and recreation. We were fortunate to get the 70,000 in a previous year. 355 helps with the van driver, the person to help with the meals. The extra money is \$6,000 for meals. And that totals the 35,500 that we'll take with the 70,000 that would help supply the transportation for the program strictly at aarc.

[09:37:16]

>> Tovo: That was the piece I wasn't understanding. So the 35,500 actually does cover some -- it does provide for some funding for the program specialist who organizes the program.

>> A temporary position. Not a full time with benefits.

>> Tovo: We have been asked by community members to consider a f.T.E. For that. All just mention that to my colleagues that that's not included within my proposal, but we have all I think received some emails about that. But that 35,500 will provide for the transportation, it will provide for the shuttle driver.

>> That's correct.

>> Tovo: I see. As well as the program specialist who helps organize the program. But both of those are temporary employees.

>> That's correct. And just to be clear and above board, as the program grows and it has and as popular as it is, there will probably always be a waiting list because it needs to get that many people and pick them up and take them, that is not a good problem, but it's good we have that many people interested.

>> Tovo: And I know we have some community partners who are --

>> a busy place.

>> Tovo: It sounds like there are other partners who are trying to bring seniors there and doing their part in making sure that the city is not bearing all the costs of that.

>> It's been very helpful and very fruitful to have that many folks there participating in the program.

>> Tovo: When you say a wait list, is there a wait list currently for the senior meals?

>> I think there is a few. We've tried to knock it down, but there has been a wait list in trying to make sure we're getting everyone picked up. The more people find out about, the more people are interested in many could go. So it's a continual -- it's a continual process for us.

>> Tovo: So is the wait list for seniors who want to participate in the meals or is it a wait list for the transportation or both?

>> I'm going to have to double-check on that.

>> Tovo: We don't need to know that for this.

>> I can get that. I know there is a wait list.

[09:39:20]

>> Tovo: Thanks to the information. That's my proposal, 35,500.

>> Cole: Councilmember morrison.

>> Morrison: Sara, before you go and maybe I missed it why is it these will be temporary employees?

>> It's part time and quite frankly when we were putting this together, there wasn't -- it was already halfway through the year. There wasn't an opportunity to go back and ask for another full-time position. These are temps with no benefits. It's nice if you could hire a full-time driver for the van, but these are usually tempw the program person, the specialists, that's someone who helps administer the meals and is a constant face for those seniors to have that they trust.

>> Morrison: Thank you.

>> Cole: We were just about to vote on councilmember tovo's motion.
>> Mayor Leffingwell: Did someone object?
>> No.
>> Mayor Leffingwell: Okay, I will.
>> Cole: You don't even know what it was.
>> Tovo: Mayor, would you like to know.
>> Mayor Leffingwell: Item 1.39. Is that it?
>> Tovo: I'm work off this page.
>> Mayor Leffingwell: 35,500 from the general fund. Okay. Further discussion? In favor say aye.
>> Aye.
>> Mayor Leffingwell: Opposed say no. No passes 5-1 with myself voting no and councilmember spelman off the dais. Was an item passed while I was gone? What item is that?
>> Martinez: It was the item I introduced before you left, mayor, for the three social workers.
>> Mayor Leffingwell: Off list. How much would that.
>> Martinez:248,673 out of the general fund.
>> Mayor Leffingwell: All right. 248.
>> Martinez:673.

[09:41:24]

>> Mayor Leffingwell: Okay. I guess we're up to councilmember morrison.
>> Morrison: Thank you. I'd like to propose item number 1.37, which is the unmet need identified by tara and recommended to us from the community technology and telecommunications commission that we add an additional f.T.E. At the cost of 66,984. Program specialist. Particularly to help address the -- what will hopefully be a newly adopted digital inclusion strategic plan in the near future and I'm excited about all the work that's been going on in that regard and I think that it really -- you know, to be able to put some real people on the ground to implement that plan once we adopt it is going to be very important in terms of making sure that everybody gets to particip in our thriving economy. And the cost is 66,984 from the general fund and it's one f.T.E.
>> Mayor Leffingwell: From the general fund, my sheet shows other funds.
>> Morrison: Other funds. I'm sorry. Can you help me understand what the other fund would be?
>> Tara is the department and we would be funding that out of our support services fund.
>> Morrison: And what kind of ripple effect would that have? Sorry, I didn't delve into it.
>> Support services funds gets its funding through an allocation to all the different departments. So it's a complicated ripple and maybe we would need time to come back and give you the details of that. Another option would be to run it through the general fund. For now we should leave it as an other funds impact and we can close the loop as soon as we get a break.

[09:43:25]

>> Morrison: Okay. So my motion is to do what ed says.
>> Other funds.

>> Mayor Leffingwell: Okay. I'll object. Any further discussion? All in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. I'll say no. That's 5-1 with myself voting no and councilmember spelman off the dais. Mayor pro tem cole.

>> Cole: Ed, can you give us a recap, sir, a total?

>> Right now we would have \$7,162 remaining in our critical one-time funds. 770,907 in the general fund. And the combined impact to our enterprise departments is \$622,053.

>> Cole: Okay. I'd like to make a proposal that we look at

--

>> Mayor Leffingwell: Before we do that, I didn't have any pencil ready. Critical one time. 7162.

>> Mayor Leffingwell: And general fund. 770,907.

>> Mayor Leffingwell: And other is 622,053.

>> That's not amount remaining, that's the aggregate impact to our various enterprise operations.

>> Mayor Leffingwell: Right. Okay.

>> Cole: I'd like to

--

>> Mayor Leffingwell: So we're already adding \$622,000 to various enterprise funds, expenses.

>> Austin energy, austin artery, arr.

>> Mayor Leffingwell: So do we have a feel for how that's going to impact their budgets ripple down when we get to our fees?

>> I think right now

-- and we may be getting to a point we need to look at this more closely, but what we've heard from wastewater and the utility, these

-- watershed, there would be sufficient ending balance to absorb these costs without having to make rate changes at this point but it does affect their ending balance.

[09:45:35]

>> Mayor Leffingwell: How about required reserve?

>> With the exception of austin resource recovery, the budget that staff proposed was out of compliance and we talked about that on july 31 that austin research recovery was out of compliance with its reserve policy, but we felt that was a short-term situation and identify more sense for us to allow that fund to go out of compliance with its policy than putting further pressure on our ratepayers.

>> Mayor Leffingwell: Okay. So mayor pro tem, you always ask for a recap and we usually do it right after you speak so go ahead.

>> Cole: Okay. I want to bring up item 1.3, which is an item that was sponsored by councilmember morrison to expand its scope with the austin gay and lesbian chamber of commerce. I know historically we've in a lot of discussions about about austin gay and lesbian chamber of commerce being put in line with our other chamber of commerces, especially minority chamber of commerces, so I would propose we take the \$19,960 out of the general fund and I don't know

-- can you help me ed or can someone help from economic development about the impact of the

\$110,004?

>> [Inaudible]

>> Cole: Yeah, where it would come from. Would that be the economic development development?

>> What number?

>> Cole: I'm looking at 1.3. Expanding the scope and contract

--

>> Mayor Leffingwell: She wants to hear from economic development about the other funds impact.

>> The total amount is \$130,000. That would be funded out of

-- the way we've had it set up, our economic development department and so the 19,996 would be general fund impact. The \$110,000 it's allocated out the the water utility and austin energy and a little to austin research recovery.

[09:47:50]

>> Cole: A third a third split? 94,916 for austin energy, 13,281 for water. 1,807 to the arr. We allocate out economic development costs relative to the size of a department's

-- to those funds revenue base.

>> Cole: But our other contracts with the minority chambers are funded through economic development. Is that correct?

>> I believe that's correct.

>> Cole: Okay. So I would like to propose

--

>> Mayor Leffingwe Okay, so that's \$110,000 impact to the utilities and 20,000 impact to the general fund on item 1.3. Is there objection? Yes, there is. Objection. Any stuart discussion? Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. That passes 5-1 with myself voting no and councilmember spelman off the dais. That takes us to councilmember riley.

>> Riley: Sara, I wanted to ask about a library item. I don't know if miss france is still around, but if you look under tab b 27, page 1 point

-- actually 1.36, page 29 under b 27. We had

-- there was a lot of discussion about adult programming at the library and we've heard from a lot of folks there's a real need for more adult programming. And there was a very significant request that had broken down into a number of much smaller options, and I was hopeful we would be able to fund at least some item off of that list. When I look at the prioritized list, it looks like the first item on the list would be a one-time item. It is outreach kits, which seems like a one-time expense. The second time seems more like a general fund expense. Funds for outreach and programming supplies. We're talking about adult programming and I appreciate the memo that you provided on

-- well, the answer was POSTED ON AUGUST 27th. It's about prioritized options for adult programming at the library. We talked about this the other day at the emergent technology meeting. I appreciate you setting up the various options. The first of those options seems to be a one-time expense, outreach kit. The second item seems to be more of a regular ongoing fund expense.

[09:50:37]

>> That's correct.

>> Riley: And that was simply a \$20,000 cost for outreach in programming supplies.

>> Right.

>> Riley: Would that be of value, would that spend to the

-- be of any help in responding to the public interest.

>> Very much. Yes.

>> Riley: Okay. Well, mayor, this is a very modest amount that I think would be responsive to the public interest we've heard in the need for adult programming and outreach at the library. These have been very successful and popular programs. It would be well timed because of that help position in regard to the growing public interest and the expansion of the library and the opening of the new central library and so I think this will be an appropriate expenditure so I would move approval of the \$20,000 for -- as set out in paragraph 2 of the memo for outreaching programming expenses for adult programming at the library.

>> Mayor Leffingwell: Did you say 20,000 to the general fund

--

>> Riley: Yes.

>> Mayor Leffingwell: Instead of the 329,000?

>> Riley: Yes. It's a very modest amount. I think it would be helpful to make some forward progress on this. It's not the amount we would like to spend and it's not

-- not as much as we would like to see on this item, but I think it would be helpful.

>> It would be a move in the right direction.

>> Mayor Leffingwell: Sort of showing the flag, so to speak.

>> Riley: Right.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: Just to clarify, I know we heard from one group with some particular adult programming requests and you are advancing the first item on the

-- that was described in the q&a, is that right?

>> Riley: The second item. The first is a one-time expense of five outreach kits and I realize we're getting down to the bottom. There's not enough money in the one-time funding to cover that and so my thought was that we would

-- the next one on the list would be helpful.

[09:52:49]

>> Tovo: Right, but just to clarify, you are talking about the q&a.

>> Riley: It's in our notebook on page

-- under tab 27. B 27.

>> Tovo: There was also a response

--

>> Riley: It was a response to request number 124.

>> Tovo: Okay. Thank you.

>> Mayor Leffingwell: Okay, just

-- with all of that thrown in there, we're still talking about 20,000 on your proposal?

>> Riley: Unless councilmember morrison has another suggestion.

>> Morrison: First, we did get to talk about this and the proposal at emerging technology and I think that it really makes sense to fold their ideas into the central library because

-- your representative there had told us that some of the things they were thinking about, the [inaudible] was planned for the new central library. So I hope you will collaborate with them as we look forward to that exciting day when the new library opens.

>> Absolutely.

>> Morrison: What I was going to suggest, they said that their outreach, the limitation on their outreach kit, the \$15,000, was really something that was unfortunate and \$15,000, I know it's more than 7,162, but I'd like to suggest that you consider, councilmember riley, going ahead and adding that to your motion as well, 1 and 2, and if we go over by \$8,000, a little less than \$8,000, I think we're probably still in pretty safe territory. And ed, could you comment on that.

>> Mayor Leffingwell: I'm not sure what you just said. What were you combining?

>> Morrison: No, the library, 136 is actually five items. And councilmember riley was limiting it to only one of those items and I would suggest he consider limiting it to just two of the items instead of just one. It would be 15,000 one time and 20,000 ongoing. And it would take us \$7,808 over. Our one-time funding. I wonder if our budget officer could comment on that possibility. Of going \$8,000 over. What does that

-- what's the significance of that?

[09:55:28]

>> Well, we don't have to -- I mean the significance is that council's has adopted a policy that says in any given year we will not draw down stabilization reserve a third. Somewhere in the neighborhood of 90 plus million dollar, so \$8,000 past is not going to knock you much more than one-third. It might be .32999 instead of .3333. But another alternative you don't have to pay for one-time things out of your one-time pot. You could pay for them out of the general fund pot. We don't like to go the other way, pay for recur expenses out of our one-time pot.

>> Morrison: I would be happy to find some way to make that \$15,000 work.

>> Riley: Well, I think it's a reasonable suggestion and if we

-- to the extent that how about ed, to the extent that we are over, to the extent we're out of one-time funds, if the remainder could come out of the general funds, would that cover it and be consistent with our policies?

>> We'll put the 7,162, zero out the one-time funds and the remainder out of the general fund.

>> Mayor Leffingwell: So that's about a little over 7,000 more, 27,000 out of the general fund? City manager, did you want to say something?

>> I don't want to hit it too hard, but, you know, we have some beyond and we're talking about a small portion now out of the general fund for one-time costs. And we've got a ways yet to go before we're

done with the process that you are going through. So it's really just a mild caution about as we go forward and the notion of continuing to fund one-time things out of the general fund. Not the best practice and I think that's why ed said what he said to cautiously earlier.

[09:57:41]

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I apologize, I missed the last thing you said. Your caution was funding one-time expenses

--

>> just an encouragement to stay with your policy of spending one-third and this last proposal exceeded that and so the

-- so the alternative was to look to the general fund to provide for it. Correct?

>> That's right, sir. I think the proposal would, as it was written, was \$15,000 out of critical one-time fund, that would push us past the one-third. The numbers would be 171,062, that lets you to the one-third policy. 27,838 would come out of general fund. For the remainder of that \$15,000 and for the \$20,000 item.

>> Mayor Leffingwell: So how much have we spent in the one-time fund already?

>> The action council took earlier in the day was to draw down our one-time fund to the dollar amount of the one-third draw down, with this action you will have utilized all of that.

>> Mayor Leffingwell: And didn't we already before in the original budget take it down \$29 million?

>> That's correct, sir.

>> Mayor Leffingwell: So we've spent almost \$30 million out of our stabilization reserve fund.

>> A little over \$32 million. That's the one-third amount.

>> Tovo: Mayor, I still really didn't capture the city manager's point. I understood the first part that we were just going a little into that, but were you cautioning funding one-time expenses out of general fund? Was that the last part of what you said? It was the last few phrases.

>> Yes, I was. I was pointing out we have a ways to go with respect to this budget and

-- and just cautioning about additional general fund expenditures for one time

-- one-time costs. There's quite a number of other options here that

-- that could have been supported by one-time costs. We've exhausted that. So just a friendly caution to

-- to

-- for us to be disciplined with respect to our financial policies.

[10:00:05]

>> Tovo: I appreciate that point. So it wasn't

-- okay. Thank you.

>> Mayor Leffingwell: And we have also taken about a little over \$700,000, 732,000 out of other funds and I'm assuming that most of that goes for the water utility and austin energy. And just a question, when an item like this is funded by austin energy directly or indirectly, how does that appear on their balance sheet? Do they, for example, have an expense listed for adult programming at the austin public library? That doesn't really apply to this and I just use that as an example.

>> Most of the items if not all of the items it would have impacted austin energy would be the result of our shared cost model for economic development department costs.

>> Mayor Leffingwell: Most if not all.

>> If not all. Certainly most, I think.

>> Mayor Leffingwell: So they would just show up as economic development.

>> It will show up in the transfers and other requirements of austin energy's budget as a transfer to economic development and it will be slightly higher as a result of these actions. Which would lower their ending balance.

>> Mayor Leffingwell: The reason I brought this up is, you know, we went through

-- I went through a big exercise, maybe nobody else did earlier this year, talking about transferring away from utilities those expenses that have nothing to do with their

-- nothing at all to do with their mission. For example, water utility treats and delivers water and carries away wastewater. And other things don't necessarily come into that. But economic development you can make that argument that there is only to the water utility because with economic development they sell more water so that does have some reasonable link. But we have taken

-- already taken out this year a lot of things that directly don't have anything to do with the water utility, for example, in previous years we've taken a lot of those things out of austin energy. I just want to make sure we're not letting those things creep back into the budget. And you are assuring me that's not the case. This is all economic development related stuff.

[10:02:24]

>> Yes, sir, all the changes that we're talking about here are increases, economic development department's budget, as you mention. We had this discussion with council last year that economic development had previously been fully funded by austin energy. We thought it made more sense to share the benefits of the economic development department's activities between austin energy, water utility and research recovery. We're in the second year of that transition and the costs that austin energy austin energy are related to economic development development activities, not the types of things you are referencing that the feeling wasn't appropriate for the utility to be funding.

>> Mayor Leffingwell: So what we have on the table here is from councilmember riley. And I'm almost there, councilmember, the 20,000 I was going, but now I'm going to have to object. 7,162. And 27 some odd from the general fund. 27,838.

>> Mayor Leffingwell: 27, 838. Are there other comments on this one? Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. Passes 5-1 with myself voting no. Councilmember spelman off the dais. Councilmember martinez.

>> Martinez: I want to call up e.M.S. Staff, chief rodriguez in particular. We have a request from austin-travis county e.M.S. Association for additional funding for a program that it's actually been integrated within the department but it's wildly successful in many folks' opinions and they have requested a full-time staff of uniform medics to run their e.M.S. Community outreach which is a prevention program that includes things like car safety seat checks, hands only cpr training, e.M.S. Youth program and instant safety education. The request for funding is 181,967. By the way, this is item 1.25. Sorry. B 27 in

your tab. 175,675 would be for two full-time employees to handle this program, and 13,680 would be in one-time infrastructure costs to establish a program. Can you tell us what that one-time cost would go to?

[10:05:03]

>> The one-time cost is related to the uniforms, computers, office equipment and some materials we would need for the program. The rest of the dollars would be [indiscernible]

>> Martinez: I would propose we take the entire 180,000 out of the general fund and next year I'm almost certain that 13,000 can be found in terms where to be placed in your ongoing budgeted. I think your needs will going to be continually unmet so I'm making the motion we apply 181,967,000 for the prevention program OF TWO FTEs WITHIN OUR E.M.S. Department.

>> Mayor Leffingwell: That 1.25 and that's none, we're out of critical one time. So 181,967 out of the general fund.

>> Martinez: Yes, sir.

>> Mayor Leffingwell: And I object. Any further discussion? Councilmember riley.

>> Riley: I just want to get clarity on the number. Ed, could you confirm we're on the same page about the number? Because on page 1 continue to 28 I see 189,355.

>> That's the number I have as well.

>> Riley: Was that the number you had?

>> The motion was 181,967.

>> Mayor Leffingwell: Yeah.

>> Riley: I just wanted to ask about that. The number we got was slightly different. There are a couple different numbers.

>> Mayor Leffingwell: It's councilmember martinez's motion. Tell us what you are proposing.

>> Riley: Really just raising the question good the amount.

>> Martinez: Is information is showing 181, but I'm happy to amend that to 189,355.

>> Mayor Leffingwell: So the motion is 189,355 out of the general fund. Any comments? I believe I've already objected. If I haven't, I now object. Those in favor say aye.

[10:07:14]

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. Pass 5-1. Myself voting no. Councilmember spelman off the dais. Should record that. Next is councilmember tovo.

>> Tovo: I'd like to call up director hensley again from pard to talk about the high land

-- the st. John's tract and the various costs associated with opening that up for public access. And I believe it's in our book somewhere, but I'm having a little trouble locating it. This is the 401 st. John's. It is in here, but

--

>> [inaudible]

>> Tovo: Okay. Director hensley, as I understand it, some of this was proposed in the response that

talked about what funding needs are associated with this request. 10,000 was identified as needed for one-time operational cleanup. 12,525 was identified as ongoing maintenance. And then there was discussion about a parks master plan in the amount of 100,000. I wonder if you could help, and I think I asked some of these questions the other day, what

-- what would you say is necessary to really get that site up and running so that there could be shared uses.

>> Sara Hensley and I have Kimberly here. The \$10,000 is help us get the site cleaned up. As you know, it's been used by the University Hills Optimist Club so there's fencing and just absolutely some site preparation areas. Areas that need to be

-- maintained but better maintained, quite frankly. And then an ongoing maintenance. Once you shift that from being under the auspices of an agreement that you have with a group like the University Hills Optimists, you are taking over some of the responsibility if it's a public park open to everyone, you are taking on general fund responsibilities of mowing and taking care of it. That's where the \$12,500 comes from. The \$100,000 was for a master plan and as we discussed earlier in the last week, we could possibly do a site plan which would be done in-house. It will not be as

-- using a master plan as someone that facilitates it and goes through a master planning process that would invite, engage the citizens to give input on what they would like to see there for a public park. If it's a site plan, we still can do that from a parks staff perspective, but that's just taking amenities and placing it, not necessarily opening it up and saying these are all the things that we are asking for public input, all the different ideas that might come forward.

[10:10:40]

>> Tovo: I guess my concern about

-- my concern about spending that amount of money on a master plan is that doesn't leave you any money to implement any elements of the master plan and so then it's still years off from having any of those amenities in place. I know we've all received feedback from the neighbors in that area, urging us to allocate I think \$77,000 to it. And that is an amount that they believe would also cover the master planning. Do you think that's a

-- makes sense? From your perspective, this is an area that is park deficit.

>> Absolutely.

>> Tovo: What is the amount of money we would need to identify within this general fund to get

-- to have that site be able to be used in the relatively short term?

>> Well, first and foremost the 10 plus the 125 is imperative. But the

-- the gracious offer having a partner, the only problem if we were to do that, we can't use just one person without going through a process of opening it up and slitting opportunities for anyone to do the master planning. There are ways and we've done this before, working with the Parks Foundation, where they worked directly with the Parks Found and we partner with the Parks Foundation. We couldn't do that and say we'll let you master plan for \$30,000 because if the city were to do it we would have to open it up competitively.

>> Tovo: It sounds like we need to allocate at least 22,000 to get the ball rolling and colleagues, do you have suggestions for what we might be able to do beyond that or what we should consider doing

beyond that? I think it's important that this site be able to be used. But I'm not sure what the best -- not sure what the best way to do that is.

[10:12:54]

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: So as I understand it, we need the 22 just to get started, cleanup and all of that. And that we

-- you've suggested \$100,000 for a master plan. There's been a suggestion of less, but you are saying that can't happen. So we're talking about another

-- I thought I actually heard two other categories. One was master planning and then we had one speaker down here last week suggesting even more than that to actually implement it to the tune of like 200 or some, which is taking us way beyond zero which is where we are in our one-time funds. I have a couple of other high priority one-time funds so I want to throw out a suggestion to staff and that so ask you all to scrub the one-time funds list to see if you can't find some more funding because I think, you know, I was going to bring up the fact that we're in the middle of our aquatics master plan and we need 250,000 more to do it. Otherwise we've just wasted \$200,000. And I suspect there might be a few more. I think they are small amounts compared to the 30

-- is it 30 some million in the critical one-time list. So I guess I was wondering if we could challenge staff to go back and loosen up a little bit of change in there because otherwise you might find council making recommendations for [inaudible] because I think we still have very critical things. I'm very enthused about putting the resources on the table for the st. John's park because, you know, that was one of the situations where we had a real conflict in the community and folks challenged them to go -- to hear it out and they did.

>> Right.

[10:14:55]

>> Morrison: They did, and people got

-- they really did find a way to do that and I think we need to step up and stand behind those folks that did that. Otherwise, you know.

>> Tovo: That is a really important point and they

-- it was a hard one compromise and it took a year of staff time and community time to get there and it would be a shame not to move forward with those recommendations. And so to be

-- to be very clear, we did have speakers, as you mentioned, councilmember morrison, who were requesting 287,000 and that was the master plan, the work on the site and the implementation of that.

[One moment, please, for change in captioners] I'd rather be able to come back to council and say here's what's come out of it. Let see how we're going to build a bigger park out here.

[10:17:09]

>> That seems like a better approach. I would hope we had city facilitators. It did seem like people did

have pretty specific ideas about what they wanted to see there. So what would you say what would accomplish the goals that you just described? If we allocate \$100,000, obviously we don't have one-time funding anymore. We have identified sources for that. Are they working on that right now? Let me know if we are tabling this for the moment, but that's the amount to me to seem to make sense to get the cleanup, the ongoing maintenance and then have some fund

--

>> to be able to conduct it by the staffing there and host the meetings and be sure we're doing it the right way, getting the input we need and coming up with a plan that everyone can agree on, kind of like they already went through, working with the neighborhood and university hills optimists and being able to hopefully have a plan that we can then move forward. If they're willing to raise funds, as you know. We're willing to write grants that takes that necessary to try to come up with a way, even if it's a phased approach, to begin that work of creating that place that everyone wanted to see.

>> Tovo: If we identified \$100,000 total funding from one place or another, with \$22,000 being spoken for, is it unrealistic to think that additional 78,000 could help with the planning and some amenities?

>> It could, absolutely.

>> Tovo: Okay. So if a discussion could be facilitated by our city staff and in partnership with the community, then some of that 78,000 could actually go forward amenities on the site.

>> Yes. We would look to match that as best we could with other funds we could find.

>> I didn't mean to interrupt, but some of the amenities that these folks are hooking at, we're going to absolutely need their help because a playground

-- it costs between 250 to 400,000. A pavilion is 150,000. So I just don't want to mislead council in thinking that if you gave us that amount of money that we would be able to put in something spectacular. That would just be the seed money.

[10:19:33]

>> Tovo: Thank you for that clarification. I had asked the question last week about whether any parkland dedication fees would

-- would be eligible to be used and two, whether there are any existing in this area? And I think I heard the eligibility question was

--

>> yes. If there are funds, yes, but there are no funds.

>> Tovo: There are no funds.

>> No, ma'am. But that doesn't mean there won't be. And by the time we go through this process, and kimberly is right and I think we're on the 400 side of the playscape because we're looking at more natural type playscapes and more engaging. But the good news here is we have a great group of people who are interested in working with us. There are a lot of ways to raise funds and there are some grant opportunities. Particularly as you know there are funds that you can request through the parks foundation every year. So there are some opportunities there. This will help us with a matching as well.

>> Tovo: Right. Okay. So help me understand your suggestion, councilmember morrison. Were you suggesting I not make my motion at this point for \$100,000 in funding for st. John's or should we vote on it and then determine what the funding mix is once we've gotten an answer back from staff?

>> Morrison: Well, I just wonder if staff would be willing overnight
-- not right this minute. We could come back tomorrow and look at it. Would be willing to look at some possible small adjustments to the one-time critical funds. I know you all did a lot of work putting together the rationale for every single one of them. It just seems to me that there might be some level of not too major discomforts, I guess you might say. I don't want to say you would be comfortable with it, but maybe it wouldn't cause you too much discomfort to see if there are some ways to adjust it. I know there's some really big line items in there like \$17 million. And it seems like potentially there could be a way to cut that back a little bit if we could identify some really high priority one-time.

[10:21:41]

>> Well, if you all in the course of this day identify what your other one-time needs are, I suspect we could have a conversation with our departments in regard to the 29 million or so that were part of our budget recommendations. So

-- and with your additional one-time interest in mind, I guess respectively they could assess whether or not they would recommend changing some of their priorities in order to fund some of the things that remain on this one-time list.

>> Morrison: Just so you know, I'm not going to propose the \$6.6 million as one of them, although we desperately need it. But that would be

-- suggest that, for instance, councilmember tovo could make a motion for the 12.5, which is ongoing, and then 77.5 in one-time and we leave it out there and address it next.

>> So you park it.

>> Morrison: Yes.

>> And any other one times that you talk about as a matter of priority today you park it, we'll know what it is, we'll have to have that conversation. I'm not sure how to facilitate all that between today and tomorrow, but we'll do our best.

>> Tovo: It seems the other alternative would be to vote on it as coming out of the general fund. And then discuss it in the morning.

>> Morrison: Although that gets us into all the one-time things getting into the general fund.

>> Mayor Leffingwell: Well, you could propose the 12,525 for now.

>> Tovo: That's what I'm going to do with the intent of trying to identify some funding to get us up so we could at delete that other piece. I'm a little concerned that it sort of makes no sense to have ongoing maintenance funded if you don't have the ability to do at least the \$10,000 of cleanup.

>> Morrison: Let's be optimistic.

>> Tovo: That's my motion, the 12,525.

[10:23:43]

>> Mayor Leffingwell: 12,525 by councilmember tovo for item 1.12 out of the general fund. Is there any objection? Hearing none, that is adopted. And normally it would be my time now, but I just wanted -- a question occurred to me. I'll use my turn not to propose an item, but to ask the question of \$32 million that we have so far spent out of reserves, how much of that equate to in cents of property tax

reduction approximately?

>> A little bit over three pennies.

>> Mayor Leffingwell: And that would get us

-- that alone would get us below the effective rate, a little bit over three pennies. That would get us to about 45 cents.

>> It would. Of course staff in the past has cautioned against using one-time sources of funds for property tax relief. It would only be a one time relief before it would go back up in 2016.

>> Mayor Leffingwell: I understand your philosophy. I'm doing it for I will straight active purposes that what is appears the optics of it is we had \$32 million in reserve funds that we could have used for property tax reduction and didn't. Councilmember morrison.

>> Morrison: Thank you, mayor. I wanted to propose that we consider adding funding for the austin youth river watch. We did a resolution on that. It's a great program and the water utility is not able to continue its funding. I think that it falls in line with a lot of

-- it's really sort of a cross-discipline program. It helps with our water quality. They actually do real work.

It serves youth that are at risk and it's a science program, basically teaches them to be scientists. So that's item number 1.19. Under tab b-25. And the amount is \$76,000. And that would be ongoing. If if

>>

[10:26:05]

>> Mayor Leffingwell: So item 1.19, councilmember morrison, funding in the amount of 76,000 from other funds for austin youth river watch program.

>> Morrison: No, sir. It's from the general fund. They were covered by the water utility and so this would be the general fund picking that up.

>> Mayor Leffingwell: Thank you. That's a lot better, but I still object. Any further discussion? Those in favor say aye. Opposed say no. No. That passes five to one with myself voting no and councilmember spelman off the dais. Mayor pro tem cole?

>> Cole: Mayor, I just want to follow up

-- first to follow up on the discussion that we had about asking staff to look at the menu of 29 million that they brought forward of critical one-time needs for one last item from me, and that is the houston-tillotson community health and wellness center and ongoing programming cost. The resolution addressing this was brought by councilmember martinez.

>> Mayor Leffingwell: What item number is this?

>> Item 1.13, it was brought by councilmember martinez. The backup is in b-13? I would like to talk to somebody

-- burt, can you come up

-- that has had some recent contact regarding the wellness program at the university.

>> Mayor Leffingwell: You understand they have not done the scrubbing of the 25 million and won't until tomorrow.

>> Cole: No. I just want to get a number to propose based on where we are right now. I know the university has a very ambitious plan for a wellness center and I no he that we have made a commitment to help them with that and to engage in partnering activities with them and other stakeholders in the

community. And could you give us a brief update on where we are with that?

[10:28:24]

>> Sure, burt lumbreras, assistant city manager. I will try my best because I know that stephanie has been the lead on it. I know this particular phase would be for the center itself. And it is a very exciting project and also ongoing programming costs associated with the project. And the whole idea is to really set up a marquee center that would really address a lot of health and wellness issues and focus in a neighborhood and particularly in east austin and, but also bring in some top-notch folks that would address a lot of these service needs in the community. You know, their focus is going to be on what I consider populations that are at risk, whether it's individuals that are in the african-american community or on the hispanic community as two examples, but essentially what they're going to do is really set up a marquee center, bring in top-notch providers and provide health care provide and needs in the community. I know carlos and his staff have been focusing on the critical health priorities and that would really complement real well a lot of what the city is trying to do.

>> Cole: Can you give us any type of timeline that we are on?

>> For the?

>> Cole: We have as

-- as a request before us for one-time funding of \$850,000. And I think at this stage of the budget process that is pretty steep, so I'm trying to get a handle on what would actually be needed to help the project over the next year.

>> We're still working on the original \$250,000. We have that under contract. It would further the project and move it along in terms of bringing the staff down and beginning to meet the needs of the population. There are no psychiatrists in that particular area, and that's one of the most urgent needs that we're trying to meet. But the planning piece is ongoing. Coil cole so you don't have the

--

[10:30:39]

>> Cole: So you don't have the \$250,000 that's mentioned in the resolution yet?

>> They're working on expending that right now.

>> Cole: The 850 pursuant to the resolution is actually for the center itself. It's not for psychiatrists or ongoing needs?

>> Yes, that's my belief is for the center itself. And I would imagine that it would help pay for some of the staffing needs also.

>> Cole: Well, do you know what timeline the wellness center is on for construction?

>> I could get you that information, but I'm not sure of it right now.

>> Cole: Okay. Okay, mayor. I'm going to propose that we set aside \$225,000 for the

-- for the huston-tillotson community health and wellness center and put that on the table for extra to consider scrubbing the budget for also one time needs with the direction that that money is to be spent in connection with the construction of the wellness center. As set out in the resolution.

>> Mayor Leffingwell: So you're not making any proposal right now.

>> Cole: No, I'll make the proposal for \$225,000.
>> Mayor Leffingwell: 225,000 out of the general fund?
>> Cole: Out of the one-time critical needs. We asked staff to comb the budget overnight.
>> Mayor Leffingwell: But the general agreement was that we comb it first and spend it after it was combed. You want to go ahead and go negative on the reserves now?
>> Cole: No. We want the staff to know the items we're asking.
>> Mayor Leffingwell: You're saying we're going to put it on the table for now and address it after you have the information. I'm trying to keep track of what we're actually doing.
>> I understand.

[10:32:41]

>> Morrison: Mayor, what I had in mind when I was discussing it was that we could at least indicate to staff what our real priorities are so that when they go comb it they'll have some sense of what to be looking for.
>> Mayor Leffingwell: I understood that completely. What I'm trying to do is keep track of what we're doing, the amendments that we have approved.
>> Cole: So this would not be an amendment at this time, but it would be one that I would hope staff could come back with funding for.
>> Mayor Leffingwell: Right. So do you have anything else?
>> Cole: No.
>> Just to clarify there was the discussion of 225 and then the 850 is the direction for staff to comb the budget for the full 850?
>> Cole: The direction to comb the budget for the 225.
>> Mayor Leffingwell: I'll just add a comment, I sort of suspected that if someone was going to propose an amendment that took us down below the reserves or above whatever money we had available that the councilmember making that proposal would do that combing themselves and make that effort. Councilmember morrison.
>> Morrison: I'd be happy to do that, but I just thought because staff knows the ins and outs of that list a little better, I'm open to their suggestion to the combing and I'll go home and take a look at it tonight.
>> Again, as I said, the 29 million that we're talking about that was part of our budget recommendation has
-- there's a lot of thought behind that from the staff, so I thought they would appreciate the opportunity if there is going to be a change in priorities to have some say in that.
>> Cole: Staff would prefer to do that?
>> I certainly would think that the department directors would want to express themselves if they will have to reprioritize their one-time request.
>> Mayor Leffingwell: Okay. So we will go to
-- and city manager, I would assume that you had already done that, that you had gone through that prioritization and apparently somebody has disagreement with you about that prioritization. But it's just -- it's kind of how you figure it out. If you want to say since you disagree with the way I prioritized it, but I don't know how you figure out what to throw out since you've already been through that.

[10:35:05]

>> It will be challenging, to say the least.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: Can I get the totals again of where we are with the one-time and the general fund?

>> The full amount of the critical one-time has been suitlized. 3,316,712. Of the 3,032,427 of general fund that was freed up at the beginning of this there's 452,193 remaining. And the combined impact to our enterprise operations at this point is \$732,057.

>> Okay. All right. I am going to raise one item just for discussion because I think it's important that we talk about it. There is a request that came up in connection with the discussion about the municipal quality index related to grossing up of salaries of same sex domestic partners for purposes of health insurance benefits. We have gotten the cost estimate on that and I'm trying to find the number. The original number that we got, and I'm looking at page 44 under b 27. The original number that we got was \$535,000 for all city of austin employees. That include both domestic partners and both same sex and opposite sex couples. What I am going to raise as a possibility is that we consider grossing up of the salaries of same domestic partners given that they do not have the ability to legally marry in texas, whereas the opposite sex couples have that option available to them. This is something that has been done and in other cities. I realize that it had been done differently in other cities that have done this, it has been done for all domestic partners, not just same sex versus opposite sex. I think we are in a different situation than those other cities because it is not

-- because same sex couples cannot legally marry here and without this then there is a disparate treatment issue with

-- because domestic partners of opposite sex domestic partners can marry and have the option of boosting up their benefits whereas the same sex cannot. So the number that we got on that approach would be \$110,000. And I would propose that we take that action.

[10:38:05]

>> Mayor Leffingwell: What item?

>> It was

-- the question was 131. It's 1.42. It's page 44 behind tab b-27.

>> Mayor Leffingwell: Okay. 1.42. Councilmember morrison.

>> Morrison: Can you help me understand what grossing up a salary means before I

-- I don't understand that.

>> Riley: I could try to explain it, but I bet mark washington could explain it better.

>> Mark washington, director of human resources. What councilmember riley is referring to is the tax treatment of employee premiums for benefits. And so the i.R.S. Section 125 of the i.R.S. Code allows employees in group health plans to have their convictions did he you

-- contributions deducted on a pretax basis. That's on spouses recognized by the i.R.S. As well as dependents. And what he's referring to is the i.R.S. Does not recognize same sex domestic partners and their dependents of those domestic partners as eligible for the pretax contribution. So as a way to

equalize the benefit he's proposed to gross up the treatment of their premiums.

>> Morrison: Does that mean they would be charged less in a premium or you would give the employee a larger salary?

>> So they would be charged the same premium and they're responsible

-- the premium is then taxable, but they would be given more in pay to offset that tax amount.

>> Morrison: And you mentioned that's how

-- it was handled differently in other cities? What are the other options?

>> The other cities that we know of that has done this have provided that option to all domestic partners, whether same sex or opposite sex, but those are in states where they're recognized, that allow for gay marriage, whereas here same sex couples do not have the option of getting married so they don't have that legal ability unless we take this approach.

[10:40:28]

>> And if I could add, so our plan does recognize the treatment on the pretax basis of spouses and partners if they were legally married in another state that does recognize it. We made that change this past may with the federal law, but to put it in context, there are about 48 same sex domestic partners and about 190 opposite sex domestic partners. So the 110,000 applies to those same sex domestic domestic partners.

>> Riley: Mayor, if I could ask a century grant about that. The number still strikes me as potentially being somewhat high because I wonder about whether given that we already

-- we provide that option already, it seems like that we might be

-- we might be in the situation that people would be taking advantage of that option anyway. If we just started doing that. Isn't it possible that we will be providing this benefit to some degree anyway and so that making this policy change would not have that much of a marginal cost?

>> Yes, we're providing benefit of access of the plan, but to gross up would require us to reimburse an employee of approximately 30% of the premium cost. So that's where the additional cost occurs. So for example, for afternoon employee carrying their

-- for example, an employee carrying their partner and child and the additional gross-up costs we calculate would be about \$384 per month to offset the non-taxable status of that plan. So that's where the cost increase occurs.

>> Riley: Okay. I would say one aspect of the value of this, in addition to providing the option to

-- just the simple value of providing that option to couples who are working for austin, part of the value to me would be that austin would be among those cities that are striving to have

-- to do the best they can under the municipal quality index. It's a measure of or performance of a city.

How well be we doing in our policies in regard to glbtq employees and this is one metric that is used to evaluate how well cities are doing and there is real value to austin being among those leading cities who are doing everything they can to treat those employees fairly.

[10:43:04]

>> Mayor Leffingwell: What is the amount we're talking about on this item?

>> Riley:110,000.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: So if we are shifting their salaries to account for this

--

>> we're adjusting their pay.

>> Morrison: Adjusting the pay. Does that mean that when

-- if a partner were to drop off then the pay gets adjusted back down?

>> We would base it on coverage and eligibility to the gross-up amount, that's correct. It's not in the base pay. It would be a supplemental pay amount.

>> Morrison: So it's not too much of a nightmare to

-- a little bit of a nightmare

--

>> yes. It is not

-- it doesn't change the base pay amount. It will be supplemental pay.

>> Mayor Leffingwell: This is 110,000. The sheet shows that out of other funds what is your

--

>> I just got up to have a conversation with our folks in the health department. The \$110,000 when budget office was putting this together probably sometime late saturday was with an eye towards the employee benefits fund, which is a separate fund, but this would be a payroll action, so in other words, there would be a payroll code to apply for this stipend. We would need to go back and do some work to figure out how the 110,000 gets split between the general fund and the enterprise operations. It is going to affect those department budgets, back of the napkin you could probably assume about half of it will come to the general fund and half will come to the enterprise fund, but of course it will depend where those domestic partners, what departments they reside in, we'll have to do some work on that. But the back of the napkin I would say it will probably be half and half when we're done.

>> Mayor Leffingwell: I see an item on the same page by councilmember morrison, 1.49, which that is an expense reduction as I read it.

>> Morrison: That's correct, mayor.

>> Mayor Leffingwell: Is it a coincidence that they're both 110,000?

[10:45:04]

>> It is a coincidence.

>> Mayor Leffingwell: So right now we don't know how this shakes out, but we have to somewhere around 50/50 between general fund and other funds?

>> Yeah. I think the

-- I think doing it now as a 50/50 split probably would be close enough. It's not exact

-- if it's not exact department wills have to adjust to that or we can wait and table this until tomorrow and try to get to the exact figures of how that would be flit upper and lower deck split out.

-- Of how that would be split out. It depends on what departments those 48 individuals are in that is driving the 110,000.

>> Mayor Leffingwell: What's your preference, councilmember?

>> Riley: If the council would prefer to see the numbers split out I'm fine with tabling it.

>> Mayor Leffingwell: 50/50?

>> If it's significantly different would let you know and

-- we could let you know and reconsider it.

>> Riley: Let's go to 50-50 for now subject to revisiting.

>> Mayor Leffingwell: All right. So what we have is 1.42, councilmember riley 55,000 in general fund and 55,000 other funds. Is there objection to that? Hearing none, that's adopted. Councilmember martinez.

>> Martinez: Thank you, mayor. I do have one last item. This is

-- again, it's not in our book. This comes from the unmet service demands and it's priority number 10 for the parks and recreation department. We currently have 12 part time employees at park that are performing in various functions. This would turn those 12 employees into full time employees providing full benefits, providing living wage provisions if they are currently not being met, and for all 12 employees the financial impact is \$244,673. I think that's certainly something we should be keeping a close eye on on what part time employees we have that are not covered by benefits and roll them into full time equivalents so we can. And I would make that motion for 244,673 for priority 10 for the parks department for the 12 part-time positions to be converted to full time.

[10:47:32]

>> Mayor Leffingwell: What item number would that be as an add on?

>> That would be an additional item, 1.53.

>> Mayor Leffingwell: That's 244,000 from the general fund? Do we have somebody from parks here? So this involves, what, 12 employees being converted from temporary to
-- could I get your comments and recommends on that.

>> Sarah hensley, parks and recreation. This is an item we've had on our list for several years from temporary to full-time conversion. In our department we have had in the past and have continued to do this, working employees more than

-- that were supposed to be temporary employees, but they're in jobs that were really full-time. And we keep working them over and over. And exceeding the hours that we're supposed to and have had to request extensions through the human resources department. These 12 employees are of the

-- the ones that we have continuously had to do that. And basically needed a request that they be from temp to full-time conversions.

>> Mayor Leffingwell: So you didn't request that in your budget or did you?

>> We have requested this in budget this year. As you know, we did not submit an unmet needs list, but this is an item we've had in at least the past two years of temporary to full-time conversions for these employees who are working well over the hours that we had established.

>> Mayor Leffingwell: It sounds like it would be a really significant item if you really need that. I'm just kind of wondering why it fell out the bottom of your priority list.

>> We had it listed in our list as unmet service demands, but as you know we didn't automatically turn in a list, but we did have it listed at 11.75, approximately 12 to the tune of 244,673. They're currently filled with seasonal temporary positions that we requested be full time.

[10:49:41]

>> Mayor Leffingwell: Seasonal temporary positions? Seasonal?

>> These are people that are working on a regular basis year-round.

>> Mayor Leffingwell: Okay. I thought seasonal meant they weren't working year-round.

>> These are specialists like we just talked about with the asian american resource center. That is a program specialist, that's a temporary position. This is two cultural arts instructor positions that were working on a regular basis year-round.

>> Mayor Leffingwell: These are all recreational workers?

>> Yes, they're all recreation, lifeguards. One contract complied specialist senior that were working full time. Eight recreation program specialists, even some lifeguards that were working year-round because of year-round pools. And they're temporary status because we don't have pcn numbers, personal control numbers, so we work them year-round. But we're exceeding the hours on a regular basis that we're supposed to be doing.

>> Mayor Leffingwell: Okay. So in light of that discussion, I will object. And I guess we'll call for a vote. Those in favor say aye? Opposed say no? No. It passes five to one with myself voting no and councilmember spelman off the dais. Councilmember tovo.

>> Tovo: Mayor, I don't have any further items at this time.

>> Mayor Leffingwell: Councilmember morrison. I thought you had gone. [Laughter]

>> Morrison: I wanted to mention one thing, and that is that I would like to ask

-- we might need sarah for this too, before you leave. In terms of a one-time cost, could you talk a little bit about you didn't have it in your unmet needs, but I asked the question about what more do you need to finish the aquatics master plan that we are well into, and you all identified \$250,000. And I hate to have that stopped in the middle. So I think what I'd like to do is park it with staff to see if we can't come up with it, but could you maybe make a few comments on that?

[10:51:59]

>> Yes. We were fortunate enough to get some money approved by council to do a master plan for aquatics. As we began the process to do this and hired a consultant, this -- and we even had public engagement in regards to the extent of what this master plan would look like. As you are well aware, we have a lot of swimming pools and aquatic facilities in the city. Most of them are over their years governor use, quite frankly. So as we began this process of doing the master plan it basically is looking at the infrastructure and the assessment was about the pool itself, the systems that run that pool and then the quality of the actual structure itself. As we began -- as now we end this process and we have ended that portion of it, we have a very good list of these pools and how long they're going to live. The life expectancy of seven of our pools are going to fail within the next three to five years and these are critical issues. But on top of that the next part of this master plan is about the public engagement with the citizens of austin as to what do we do with these pools, some of which are within a mile of each other. And without having that kind of engagement to talk to the citizens about this, we would be making decisions that I'm afraid would be detrimental. So the next part of this is to ask for funding to be able to engage the public, if you will, and with a new

council structure it really affords itself to look at that from a district basis of here's what we're facing, here's the kinds of pools that we have in this district and this area. This is the assessment of this pool and here's one right down the road that is not as critical. To engage that group of citizens and the citizens as a whole of how we move forward with a plan that ultimately if we don't do that could cost this

-- the general fund or another program upwards towards 70 plus million dollars, which we do not have and I don't anticipate we ever will have.

>> Morrison: Thank you. And it's my understanding also that one of the things we need to be looking at is the city is growing by leaps and bounds and geographically we're adding a lot more area so we need to do some thinking and planning ahead for where we might be needing new pools to serve as new areas of town. So I would like to add that to the parking lot of funding at \$250,000 for that. But I do have a motion I would like to make and it is 1.49. And mayor, I'm thinking I might get your vote on this one. This is the one, we talked about it recently, that the current health plan

-- the plan for the health insurance plan is to charge

-- to ask people to do health assessments. And if they don't do a health assessment they would have to pay a penalty of 12 and a half dollars every t every pay period. And so that's troublesome to me. I've heard from many employees who are very concerned. I would like to normal our staff. We have a

-- I would like to encourage or staff to work more with incentives than penalties. How that shows up in budget is in the estimate for the employee benefits contribution. And so I'd like to make the motion that we decrease the proposed amount into that fund by 110,000 and that is

-- reflects not having that 12 and a half dollar surcharge. It is confusing because the decrease in revenue, it's actually the same thing as an expense. It's the same thing as an expense as far as how it affects the bottom line.

[10:56:00]

>> In terms of how it affects the ending balance for that fund, which is currently projected a little north ever \$13 million, it will be \$110,000 lower as a result of this reduction in revenue. It will not affect the expense side of the fund.

>> Mayor Leffingwell: Okay. Is there any objection to that? You're right, councilmember morrison. Without objection, that's adopted. Do you have one, mayor pro tem? Without objection we stand in recess. Did you want to say something before we stand in recess?

>> Morrison: I would just like to know what our plans are for the morning?

>> Mayor Leffingwell: I think what we had said earlier is that we would take up I think it's item 14 and perhaps need to go into executive session. And if we have time later on this month we'll address the budget issues. [Laughter]

>> Morrison: Mayor, but we still have more budget.

>> Mayor Leffingwell: Oh, yes. We're still on item 1.

>> Morrison: Good. Because I have a few additional ones I wanted to make sure.

>> Mayor Leffingwell: Oh, yeah. We'll start over with councilmember riley on the next round tomorrow. So without objection, we're in recess until 9:30.

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[03:29:44]

>> Mayor leffingwell: Good morning, we'll begin with item 14 and go to speakers. I have an order requested by the speakers, who have signed it, to go in. And the first speaker is John Eastman. Is Leslie Pool here? Just raise your hand. Okay. Randley Hersh? Paul Clements? And Betty Dixon. Betty Dixon is here? Okay, so, you have up to 15 minutes.

>> Thank you. Mayor leffingwell, city council, first of all, thank you for your work. Before I start my comments, I wanted to let you know that

-- how impressed and appreciative we are of the time and thoughtful consideration you've given to this item despite an already-full budget agenda. I'm here as the president of the Bull Creek Road Coalition, representing the neighborhoods of Ridgeley, Allendale, Allen Park West, and Westminster Manor, together, representing 7500 households in central Austin. We request the council move forward on the resolution to purchase state land along Bull Creek Road. For the benefit of the residents of Austin. I know historic opportunity, the phrase gets used a lot, but, it's an historic doesn't to chef development that realizes the vision of the Imagine Austin plan. Purchasing the land now is the most effective and efficient way for the city to achieve critical goals and policies related to flood mitigation, and open space. The alternative is for the state to sell the land to a private developer for a premium price through a highly competitive bid process. At that point, it's simply not realistic to expect that developer to do any more than meet the bare minimum requirements in the development code. The better approach is for the city to utilize the state's land divestment process the way it was intended, allowing local governments to thoughtfully plan and benefit from the public resources the state no longer needs. We're here because we want to be partners in helping the city bring the land

-- the state land

-- on to the tax rolls as compact and connected, sustainable development. We've spent the last two years working as advocates for good development, proactively working with all stakeholders, and we understand this resolution is being considered in a very difficult context of a limited city budget, which is why we want to go on record with two key commitments. Number one, there should be no cost to the taxpayers associated with this project. The BCRC commits to working with the city to ensure the city is paid back in full with interest for all acquisition and development cost, no matter what. The second commitment, the entire city should benefit. In order to make this kind of investment, even if it's temporary, there should be benefits for the entire city. We commit to working with the city so -- to ensure the project provides tangible benefits. Some ideas include higher percentage of affordable units, or flood funds. There's lots of possibilities, we need to have the opportunity to explore those. We

understand the constraints and opportunities associated with the land. There's three to four acres of flood plain, ten to 12 of steep slopes, approximately 60 of the 75 acres are developable. We think a connected development pattern with density in the right places will allow for significant amounts of preservation, but, that needs to work financially. That's one of the reasons we developed a set of design principles in conjunction with planning professionals. The process was open to all interested participants, and involved a lot of internal compromise and consensus-building. Our members cover the full range of ideas. We have folks thinking high rises would be a great idea, a lot of folks that think 100% open space. Widely reported, a survey showing a third of the members preferred single-family development. The rest of the story has not been reported. 2/3, a solid majority, prefer some form of compact, connected, mixed-use sustainable infill. To emphasize that, I want to highlight a couple of key sentences. Right in the preamble, the coalition embraces and encourages responsible development of the state land consistent with the imagine austin plan. We're asking for great urban design, focused on people, creating a varied grid of boulevards, streets, and alleys for commercial, residential, and professional uses. I think it's critical to note, we didn't develop these principles last week, we adopted them almost two years ago. They're foundational documents reflecting the core values these neighborhoods bring to the table. We have a proven track record implementing these, through cooperative efforts with the development committee. We were successful in getting legislation passed at the state. Now, it didn't go down that track, but, we were also successful in providing the mechanism by which the cemetery committee could act to remove the cemetery designation which had restricted development on the property. We then worked with the cemetery committee and endorsed the removal of the designation, that had restricted development on 49 of the 75 acres. That took a lot of effort and internal work. Why? Because the members of the bcrc understand land use planning needs to be done holistically, rather than using an artificial designation as a barrier. We chose to embrace the opportunity to create a comprehensive land use plan. We've had extensive meetings with half a dozen interested developers. We spent a lot of time with stratus and bo armstock. There were multiple meetings with heb, including some with senior management from san antonio. The discussions were friendly, but, ultimately, heb was not prepared to move beyond suburban developments. We provided examples of urban neighborhoods. At the time of our discussions, they were not prepared to implement that format. It's too bad circumstances outside of the control of council and bcrc have resulted in this item moving so quickly, because the speed of the process has the potential to distract everyone from the compelling city interest that only can be addressed if the city acquires the property. We have seven surrounding neighborhoods supporting the economic diversity that can bring to our neighborhoods. High-capacity transit. The property is within, or a portion of it, the half mile taxing permit zone for 35th street lone star rail stop, in close proximity to the transit corridor. This is an opportunity to help our large-scale urban rail needs, and make it work. Shoal creek flood hazard mitigation. By owning the entire property, there are opportunities for impoundment or other large-scale mitigation that don't exist if the city doesn't control the property. Extension of the shoal creek trail as part of the city's vision for an active transportation network, this is a critical node. The green infrastructure and open space opportunities. In conclusion, I wanted to talk about the economics. We met with a lot of developers. They're experienced professionals, and their goal is to create good developments, but they all stress their ability to make investments in the public realm are constrained by the requirement that they create a return on the investment commensurate with the risk involved.

So the economics mean that they have to maximize value extraction. But if the city takes this opportunity to invest in itself, the role of the development partner changes to maximizing the return for the city. We encourage you to take the time to work with the city staff and tx dot to find the creative solutions that can make this happen. We look forward to working with you as a partner, an organized committed group of neighborhoods to create a vibrant, diverse, mixed-use and uniquely awesome place. Thank you for your time. I have a few other speakers that are going to expand.

[03:40:03]

>> Mayor leffingwell: Nina buttes? You have three minutes.

>>> Nina: Thank you. Council member coal, council member martinez, council member morrison, council member riley, council member spelman, and council member tovo, and city staff members, my name is nina, I would like to begin by thanking you very warmly and deeply for the love and the work and the misery and the tedium and the patience that you have given to austin. Everyone who lives here benefits from your sacrifice, and it is a sacrifice.

>> Thank you.

>> I grew up in texas, and I have lived in austin since 1977. I teach english at austin community college for a living. My father, bless his soul, always told me that a smart move a young couple can make when they're just starting out is to buy their first home with cash outright if there's any way they can possibly pull it together to do so. So, when my husband and I were young, we had a small inheritance and we bought a home in rosdale for under \$100,000. That home where I still live is worth more than six -- \$600,000 today, and it is my retirement. There are many older couples in austin who are homeowners who are in this same fortunate position. I don't claim to be an expert on the financing of the proposed city purchase of 75 acres of wild, untouched, stunningly beautiful land right on shoal creek, right in the middle of town, but, I know a good deal when I see one. And I bet that you do, too. 20 years from now, no one at the city, and no one who lives in this city will regret that this city council made the smart and wise move to purchase this land way back in 2014. Thank you.

[03:43:02]

>> Mayor leffingwell: Next speaker is sinclair black. Is gerard kenny here? Gerard? Not here. Emily benedict is here. Michael benedict is here. So, you have up to nine minutes.

>> Thank you very much. Good morning. I think this is

-- as the first two speakers have made a point very well, a really good deal. It's

-- economically it's a good deal, but it's a good deal for any number of other reasons. 57600

-- and then sell it. You don't have to own it long, you just have to plan it right. That's it. Just plan it right and title it right, and then, all of the future potential acrimony that goes with a large development is bypassed. You've got an organized neighborhood. The organized neighborhood is realistic. They know it's going to develop. They've got

-- they understand that the open space and the public benefits, the social benefits, are correlated with the development, the nature of the development. It's possible to achieve 40% of that space as open space, up to, and still have a reasonable, walkable, exciting mixed-use neighborhood. Please, take my

word for that. I've been advocating that exactly that in many places in town for it seems like a little bit more than my whole life. Anyway, this is an opportunity to invest in our own tax base. A small investment with a big return. The big returns come in many, many categories, one of which is you're setting a precedent for dealing with land that comes available, just like -- well, just like this land did. Other state agencies have tracts of land all over the place, either underutilized or totally unutilized, as especially in this case. So, to set that precedent by being the player, being the

[03:47:20]

-- you do something like you've done with other tracts, primarily miller. By virtue of ownerring it, we're able to essentially of see the crafting of an absolutely fabulous neighborhood, because the city own ited it, thanks to the faa. And that could be done in a relatively short time, and that plan would yield zoning and parcels. It would yield the park land. It would set up a situation whereby anyone who wanted to develop there could, but only according to the plan, and then they would become the third part of the it, which means they would be financially asked or required to take part in flood mitigation, trailno carrierringconnect 57600

[03:50:42]

>> highest and best use of the land, and that's the price that we're looking at here today. 57600

>> and absorb the losses. That's kind of the way I see it right now.

>> Well, I

--

>> and I think that's been inferred by previous speakers, that we could use it for city uses.

>> Yes. Yeah, I think there are any number of city uses, starting with

--

>> but I think all those things that have been mentioned, water impoundment, tree preservation, open space preservation, the details of zoning could all be accounted for with the city's land use and zoning authority.

>> I could

-- yes. Through a plan controlled by the city that would

-- that equation does work.

>> Exactly.

>> If you let it out of the barn, and the price goes up, you say it's not worth \$50 million, I work with developers all the time and I think it is.

>> Well, it would be under a contract provision, you know, offering that much for the property contingent on the zoning. And that's the way a project like this would normally be done. But I'm not going to get into that argument with you, because we'll have different opinions.

[03:52:48]

>> Well, you know, you mention that you've been doing this for ten years. A lot of that time, you were listening to neighborhoods objecting to the greedy developer.

>> I don't think I said that.

>> The developer's desperate to get a project.

>> Thank you.

>> Spelman: Sinclair, if we spent \$30 million for this land and only confused

-- used it for public, would that be appropriate?

>> No, I think you can achieve the public purpose with a portion of the land. And, in fact, if you're talking about making a park out of the whole thing, that's fine. North austin central park. However, I would advocate that if people live there, they can use it. And if you can get 30 of 40% of that land leveraged out of the delta, why wouldn't you do it? In an area that's underserved with parkland.

>> And in your opinion, there is a delta there. We could get back \$30 million worth of commercial value, and have 40% of the land available for open space and watershed protection and other things?

>> If you plan it right and title it right in league with the neighborhood, which, by the way, is very well-organized and has been meeting two years. I've met with them. They have a set of design guidelines that are right out of cnu charter, for one thing. So, I don't know if I answered your question.

>> Spelman: I think you answered by question exactly, let me see if you agree. If we spend \$30 million only use it for public purposes, we're spending a lot more than we need to to accomplish the public purposes that we reasonably can expect to get.

[03:54:51]

>> Yes.

>> Spelman: If we spend \$30 million, give off 40% for public purposes, and plan the rest of it, we can get \$30 million worth of value for a private developer, we can put people on the land, retail stuff on the land, it would be worth \$30 million to a private developer but still have a lot of public purposes, more or less free.

>> Already leveraged out of it, yes, that's the point. In one year, you could plan it, leverage those things out of it, and parceled out, and sell it. You don't want to own it long term.

>> Spelman: I certainly don't.

>> You should own it long enough to plan it, and plan

-- leverage the public benefit out of it first.

>> Spelman: Thank you, sinclair.

>> Mayor?

>> Mayor leffingwell: Yes.

>> Tovo: I wanted to circle back to one of the points you made. There has been discussion, you heard a little bit of it here today, that the city could achieve all the same public benefits through zoning, and I wonder if you could just really elaborate on why you think it would be more effective for the city to own it and to plan it rather than try to achieve the same aim through our zoning capacity.

>> Well, it's a combination of a lot of things. First of all, the cost of the land is

-- will be much, much higher than 30 million when the highest bidder gets it. We don't know who that is or what their mode of operation is. We do know it's difficult to force private development to supply the

open space, it certainly would be difficult to get help for the flood mitigation. And there's always pushback on the affordable housing because it comes out of their pocket. All of those things we've proven every day in this community for as long as I've been here are difficult, and it's always a matter of, you know, neighborhoods versus the greedy developer. The greedy developer is paying high interest on the money, and has to get going. All of that contributes to the cost. Every dollar of ultimate cost is a dollar less that will be leveraged for the public benefit up front.

[03:57:17]

>> Tovo: Thank you. And so I heard you make a few points, one that the cost of -- the interest cost will also drive up the developer's cost, and the cost layer of that land is for the developer, the less likely we are to have substantial public benefits like parkland and affordable housing, and that hasn't really been accomplished in the project sector, to some extent.

>> The only place we've accomplished that is at Miller.

>> Tovo: Right.

>> And that's really the model that applies here, the template, is public ownership, a great plan, and then somebody to carry it out, a private sector to carry it out for a profit.

>> Tovo: And there is, as you heard, some dispute about whether or not if it sold by private bid, whether the price would be higher or not. In your estimation, it would be?

>> Yes.

>> Tovo: I know you've been a practicing architect for years, could you remind us all how long?

>> Oh, do I have to?

[Laughing]

>> I came here to school in 1958.

>> Tovo: So you've been in this industry from a long time, and are speaking from a position of considerable expertise.

>> Well, experience, anyway.

[Laughing]

>> Tovo: You're very modest, thank you.

>> I just want to confirm, you think a developer would pay a price much more than what we're -- have this offered to us for? You mentioned number \$50 million on a piece of unzoned land, without knowing how it's going to be zoned.

>> Right.

>> Mayor, I have a follow-up.

>> You have used Mueller as an example, but do you know if the city is getting a positive return on Mueller right now?

>> Well, since the FAA gave the land back to the city, how could they not be? Look at the tax base created over there.

[03:59:23]

>> All I was trying to open up is, we're using that as an example, but we already own that land, and we

went through a very lengthy process with mueller and the development and plans of it. I mean, I think it was three to five years.

>> Gerard says it's five years. He was right in the middle of it.

>> We've been talking about this for three days.

>> You'll have to talk to txdot about that.

>> I understand, I just want to put that out there, we don't want to refer to it as being like mueller, it's not. We don't own the land, the process we went through with mueller was lengthy, and I'm not sure that it is currently a positive return on investment for the city.

>> Well, like I said, I don't see how it could not be.

>> It should be.

>> Land for free.

>> But, we have put a lot of public investment into mueller, and so, I don't want it to be the de facto,, exact, this is how this is going to work, because the process is to different.

>> Yes, right.

>> Okay, thank you.

>> Mayor, I'm sorry, I just remembered one more question. Mr. Black, I know you said you had been involved in the neighborhood, can you remind us what capacity and how long? I think you said the planning efforts that the coalition have been doing have been going on for two years?

>> Well, I've been doing what I could to advise that group, john eastman and that group, about everything, starting with it should be one tract of land, not two, that cemetery commission question. At first it was a question of how do you deal with the p3 thing, and then that got settled. So, I've just been at the table. I am not a member of that group, and I don't live in those particular neighborhoods. I live nearby, but not in those particular neighborhoods. And so, I've just been trying to bring that experience that we talked about into this discussion. And I hope that's been useful to them. And I did participate in the design guideline writing.

[04:01:35]

>> Tovo: Great.

>> Pretty heavily.

>> Tovo: Thank you, I think that's significant. There has been a significant amount of public dialogue, and visioning for that tract that will be of assistance.

>> Yeah, I don't know of another situation where you go into a project, regardless of how big it is, or who pays for it, where you've got a neighborhood group organized, and a hierarchy, an official board with kind of rules, well-run, strong leadership, knowing

-- having a practical point of view about what should happen already existing for two years and working on it.

>> Tovo: Right, good point, thank you.

>> Mayor leffingwell: Mandy demillo, caroline reynolds, are you here? All right. Ed wallace. Steve hamlet. And bryan briton, is he here? You have 12 minutes.

>> Mayor, mayor pro tem, I'm executive director of housing works austin, a nonprofit affordable housing advocacy organization. We appreciate all your support over the years on affordable housing. We

couldn't have done a lot of things without you. I've here in two capacities, though. It's rare that you have the chance to have a convergence of professional and personal interests, and I actually live in the ridgeley neighborhood, in which the 75-acre tract it located. I'm the past president of the neighborhood association there. I've had my eye on this property for a long, long period of time. I want to really focus today on the affordable housing piece, because that's my personal and professional interest, but, by owning the land temporarily, by acquiring and owning it, the city will be able to achieve multiple community benefits that are in excess of the benefits you would achieve through just your regulatory and zoning capacity. In addition to, we've got open space and ecological restoration along shoal creek, critical, tying into flood mitigation in that area. We have a long history of flooding, hence the 1981 memorial day floods, we lost three people in our neighborhood to flooding. We have enormous opportunities for connective, the shoal creek hike and bike trail, dead ending right at 38th street. This is an opportunity to extend the hike and bike trail, part of the shoal creek master plan for eons. Enormous opportunity. Also, in terms of multi-modal transportation, you have the 19, providing frequent, great service to ut downtown. Enormous opportunities there. You've also got lone star rail, lone star rail is set to have a stop

-- not tomorrow, but it will be in the future at 35th, we're excited about that. And you've got 35th street transit corridor, planning to extend urban rail in the future. It's surrounded by multi-modal transportation, enormous opportunity. I really want to focus on the affordable housing piece, though, because there is just an enormous, unprecedented opportunity for a wide range of affordability, ownership and rental housing, some of which could be supported by the affordable housing bonds which have been mentioned previously. One thing I want to mention about the affordable housing bonds, located in 273, 73% of voters in that preside effect voted for the bonds. I knocked on a lot of those doors. There's an enormous amount of support for affordable housing within that precinct, I think that's something important to point out. There's been some talk about, well if we just let the state set it to the highest bird

-- bidder, and impose zoning, we could achieve benefits. I want to focus on affordable housing, we don't have the best track record with it through the traditional process. You look at the triangle up the street, zero affordable unit, zero. You look at the domain, 42 units, 10% of the unit at 65% mfi, but, 42 units at the domain. PUDs ACROSS THE CITY, WE HAVE 13 units in process. One of the reasons is, we've had, somewhat, a watered-down pud process. 10% of the bonus square footage in a pud will be affordable if you're doing a residential project to folks at a below 60% mfi. 5% of the bonus square footage for ownership will be available to folks at a below 80% mfi. There's a fee and loop provision, and we find historically, developers are more than willing to cut the check for the minimum amount they're required to do so the affordable housing is developed elsewhere. We don't want to see that. We want to see mixed-use, mixed-income development, critical for this area of town. I know we can do better. We talked about mueller, I say mueller. Mueller right now, there are 567 affordable units. It's anticipated to more than double. Once mueller is all built out, the 700 acres is all built out, we'll have about 1400 affordable units. I want to point out that while the requirements are 10% of rental

-- I know this is all technical

-- we have 30% mfi in wild flower, we have invested food

-- affordable housing bonds. It doesn't occur naturally. Huge need for affordable housing. I know you know the numbers, but, I'll reiterate them. The comprehensive housing market study came out, our city

needs in excess of 48,000 units renting at \$500 a month or less. They don't occur. They don't occur in the market. 500 a month or less, 48,000 units. The housing market study, also interestingly showed a huge need for homeownership in the \$180,000 to \$250,000 range. I purchased my home 20 plus years ago, I was below that range. You can't buy a home in central austin in that price range. This is an enormous opportunity to tack at the land development code, what the experts have termed the missing middle. This is our opportunity. We know from multiple studies that what we're missing is that diversity of housing product, the diversity of housing types. We're losing families in the central city, and kids. This is a high opportunity area. We have the elementary school, breakerwoods forever, fabulous, perform -- exemplary school, go panthers. In terms of opportunity -- I know the person after me will talk about the high opportunity area, the opportunity for tax credit investment, but, I do want to point out, we've got the public transportation there. We've got the exemplary schools, when we talk about job housing balance, we have close to 7,000 low and moderate-wage jobs surrounding that area, if you look at central, west minister manor, think about the home health aides working there, earning 12 or a -- bucks an hour, they're not living there, they're commuting in. I'm going to channel my inner terry mitchell right now, who's on our housing works -- board. He says over and over, affordable housing is a transportation solution. This is an opportunity to achieve multiple benefits through one acquisition. Very excited. Unprecedented opportunity to include affordable housing. I have sat on way too many tax forces, written way too many reports, red -- read way too many reports that say the one recommendation, consistent through these thousands of pages of reports, is utilize publicly owned land for affordable housing consistently. From the market study, the code diagnosis says the exact same thing. Utilize publicly owned land for affordable housing. This is our opportunity to do it, because we're not going to get to do that just through a private, sell it to the highest bidder process. I'm going to let other folks talk a little bit more about affordable housing and opportunity, and I would just wrap up by saying two words, very -- which are imagine austin. I see this as the possibility to see, touch, and feel. Imagine austin, it's a vision. This is our opportunity to put on the ground what we have talked about for years and years, what we as a community a -- agreed on. Now is our opportunity to do it. It's compact, connected, complete community, and complete community means a wide range of household affordability. We need to think about it, this is an opportunity to do it now. Thank you.

[04:11:19]

>> I have a question. I really appreciate you bringing forth the statistic that this is a neighborhood that strongly supported the affordable housing bond. I'm wondering what discussions you have had with the neighborhood bull creek association about affordable housing in the area.

>> We have talked through the coalition, and that han

-- happened two years ago. I've been involved since that time. We've talked about mixed use, mixed income. We haven't talked about the specifics, that's not going to be determined yet, that's part of the planning process. But, mixed use, mixed income. This is for

-- people are living here now, this is for the austin we know and love, which is not two usaens,

-- austin, a bunch of rich people, and a bunch of poor people, mixed income. It's been integral.

>> Yes, we know the affordable housing bond

-- we have

-- there's been discussions in the community, and I think we've taken a stance that 30 to 50% of mfi would be the concentration of what those bond funds would be used for. And I'm wondering if the neighborhood is amenable, acceptable, aware, that when we talk about affordable housing we are contemplating even deep levels of affordability, even in a mixed use context.

>> Absolutely. That's my job as housing works and as a resident of the neighborhood. We talked about doing housing works, I think you've been on our bus tours, we show people what affordable housing looks like. A lot of people haven't seen affordable housing, they think it's a projects. That's not what we're talking about. What we're talking about is, we have an amazing track record in the city of austin. We have done first-class, first-rate affordable housing that is mixed income. And it's been successful. And it's something that any of us would want in our neighborhood, which is why I'm so passionate. Bring m station to our neighborhood. Walter will talk from foundation community's perspective, but, I mean, that is definitely

-- I see that as my job, to make sure folks know what affordable housing is, who it serves, who is already existing

-- who are the folks living in our neighborhood who could use some affordable housing. Who are the folks working at seaton, not able to live in the city of austin, or living tripled up with families, you know.

[04:13:53]

>> We've made a decision to disperse affordable housing throughout the community, and this is an area that

-- happen. So, I'm pleased in the neighborhood is being truly open to having it, even at deep levels of affordability, and that's what I'm hearing you say. And I want to doubly make sure of that.

>> I will be working with the neighborhoods, and the neighborhood associations so that they fully understand what affordable housing is and embrace it. I will say that having knocked on hundreds of doors in that neighborhood, I talked about

-- a lot of folks know what I do. I mean, I talked about that affordable housing is, I've taken some friends, including johnny on one of our affordable housing tours. So, yes, that is

-- I'm not going to say it's going to be easy. You're always going to have people who're going to say

-- and they may couch it in different ways, they may have different excuses for why they don't want those people living there, but, we as a city are committed to dispersion of affordable housing, and that's one thing we constantly hear. We would do affordable housing in west austin, but, it's too expensive. No more excuses. It's just

-- it's time.

>> Okay.

>> Mayor leffingwell: Walter moro. And is sara spates here? Okay, so you have

-- walter, you have six minutes.

>> I'm the director of foundation communities. I think one point I can add to mandy's commentary, if you use the entitlement process, you might get a couple dozen real, affordable apartments for families

in that 20 to \$40,000 income range. If you buy the land, this location scores well to win tax credits from the state and build on-site, maybe 150 apartments that are beautiful, well-maintained. Mandy called me a week ago and said this land might be available. We looked it up on the opportunity map at the Texas department of housing. It scores eight out of ten points. I don't know why not ten. It's going to be competitive in future years to do on-site affordable housing, and it's well transit connected. A very rare thing to find a piece of land on the western side of Austin that also meets that transit goal. So I just urge you to take advantage of this opportunity. You'll get to do affordable housing on-site that you probably would never, ever get to do otherwise. Thanks.

[04:16:31]

>> Mayor Leffingwell: Spelman.

>> Spelman: If you were putting 150 units on this land, how many of the 75 acres would you need to do it?

>> Probably about five acres. I mean, a lot depends on the design and how it's incorporated, we would want it to match the look and feel of the whole development, and not be any different than the rest of the property.

>> As I understand it, the working assumption made by the Bull Creek Coalition is that we give off 30 acres for public purposes, 45 for development. 150 units of deeply affordable housing, you would only need five or those 45 acres, we could use the other 40 acres for market housing, retail, other purposes.

>> Absolutely. It would impact the overall value of the land, but not in a way that -- there's still a lot of commercial value to the land to recoupe your investment.

>> Thank you, sir.

>> Thank you.

>> Mayor Leffingwell: Dave Sullivan.

>> Thank you, your honor. I'm Dave Sully Van, I'm here in my capacity as a board member for housing works. I would like to say a few things, though, about some of the other planning we've done in the city. A number of people talked about Imagine Austin. This is a great opportunity to create a new neighborhood. We have an activity corridor along 35th, 38th Street, and that could also reach up to this property. With regard to the opportunities for affordable housing, yes, it's one thing about having 150 units that might be for 30% or 40% MFI, but, you could have more market-based affordable housing if we allowed MICRO-UNITS AND ADUs throughout this area. With regard to what you said, what could the city do with the existing rules, that's partly why we're going through code next. We find a lot of problems with the existing rules. If we were talking about this in 2017, I might have more confidence that the private industry could do a good job here. But, right now we would have more concerns about whether they could put a new trail along Shoal Creek, and preserve some of the property for natural parkland, and also create more affordable housing through the marketplace as opposed to just relying on nonprofits and gift bonds. So, I do believe in the city controlled this land and helped to create higher density that didn't hurt the surrounding neighborhoods, brought in some small commercial stuff -- like in my neighborhood, we have a Fresh Plus grocery store with a small surface parking lot, people could walk to the store, we could have commercial development, get tax revenue from sales and property taxes there, and eventually sell it. So, I don't see this as throwing away \$28 million where we

wouldn't recover it. I do believe we'd recover much, much more in the future, have better development, have affordable housing, have extensions of the shoal creek trail, have extensions of the activity corridor and perhaps a neighborhood center, and so, I just see many positive things about the city controlling this land temporarily, and eventually meting it out to the private property owners. So, thank you very much.

[04:20:06]

>> Mayor leffingwell: So, dave.

>> Yes, your honor.

>> Mayor leffingwell: All the amenities you were talking about could be achieved with pud zoning. That's a tool that we have, and I think that's the most likely scenario for how that would be done. You could integrate all those things in different ranges of affordable housing. You could mandate mixed use, for example. All of those things could be, in my mind, achieved through zoning and I'm still struggling with why some people think it couldn't be.

>> I think for some of my colleagues in the community, they've had some frustration about the interpretation of the affordable housing that goes ALONG WITH THE PUDs BASED ON What's in the land development code right now. You probably get that, also. If the rules said you had 10% of all of the units at 40%, or 80% mfi that might be different. If we had a template saying you would pre-certain certain types of land for recreation or natural preservation as part of those rules. So, I guess my concern is, I personally, based on my 16 years experience on the planning commission

-- I just had to throw that out

-- that we might not have enough detail in the pud ordinance to guarantee those things. If the city had a heavy hand in working with the developer, we could probably do that. I simply think that it's an easier route for us to buy the land first, again, in terms of it being a temporary purchase where we did do that planning. I trust you, I trust professor spelman, I mean, even if you disagree on this, you have expertise to make the right decision on this.

>> Mayor leffingwell: Yeah well

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>> mayor

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[04:22:06]

>> mayor leffingwell: There has been a recently revised pud ordinance, maybe since you left the planning commission. I think there are a lot of tools contained in that pud ordinance that would enable most of the things. I support all the things you said, I just think they could be achieved in a different way without the city going out on a limb. And by the way, without voter approval for a huge chunk of money.

>> And I get that, mayor. Thank you.

>> I have a question.

>> Mayor leffingwell: Mayor pro tem.

>> Some people have talked about this in terms of mueller.

>> Oh, I was hoping you would bring that up.

>> And something that we would retain an interest in. I'm noticing that you are speaking of it in terms of something that we would have temporarily.

>> Correct, right. I think the comparison with mueller is not a very good comparison.

>> Okay.

>> We're talking about a piece of land that is 1/10 the size, and with mueller, we had to spend a lot of time to do the remediation to turn it from an airport into a residential area. Here, we're talking really about green

-- you know, this is green space as opposed to a former airport. So, the comparison is not really a good comparison. I remember seeing a presentation where

-- I forget, it had to do with when we were doing manage austin

-- manage

-- imagine austin, with some of the public land between second street, miller, seaholm, whatnot, how much easier it was with public land to do new, innovative things, the micro-units, the ADUs, OR OTHER FORMS OF

-- THE Missing middle, throw out all these terms. So, those things weren't around so much when we were designed mueller, which is another difference, just in terms of the time period. We've moved on now, and we have other ideas about things to do. I wouldn't make a comparison with mueller.

[04:24:10]

>> I wanted to know why you were saying that this would be a temporary

--

>> oh, right. Because part of this has to do

-- the city doesn't have to own

-- be a landlord for things like this.

>> We don't have the land bank.

>> Well, we could. That's an important idea, say, in areas where you have big problems with affordable housing. So, I do believe that that's a good idea in certain areas, like in homestead preservation districts, for example. In this case, it's more about having control of the land while it is being developed, or while the planning for the development goes on, but it does not have to be long term. If we did put a fresh plus grocery store there, there's no reason we would have to own that property, so long as we had zoning that capped the height and uses, or form-based code saying what it would look like. Really, I'm talking about in the short term, where we want to guarantee the green space, on-site affordable housing, compliance with imagine austin, which is new and which a lot of developers don't know right now about compact and connected, or green infrastructure or some of the other things that we want to do. So, for now, I think it's a good idea. As I said earlier, in 2017, I might not have these concerns. We will have developed new code, more builders will know about compact and constructive, build with nature, have affordable housing built in, etc.

>> So your vision would be for us to buy the land, assuming that we go through our due diligence, and then see the planning process through and after it is developed, sell it in bulk?

>> Yes, that's not for me, that would be for your real estate experts. My idea

-- this is more about having a conservative
-- trying to head off what a lot of negative things could happen by buying the land now, and we might
-- I couldn't tell you how long we would own it, but, we could get into the planning phase before the construction. But, once the design is done, that might be the time to sell it.

[04:26:35]

>> Thank you, dave.

>> Mayor leffingwell: Thank you, dave.

>> Thank you very much, all.

>> Mayor leffingwell: We have two more speakers, but, you weren't put on the list by your neighbors, but, I'm going to call you anyway. First is joe reynolds.

>> I would prefer

--

>> mayor leffingwell: Okay, the only other speaker is margo clark. Profess, you

-- professor, you donated your time to sinclair black.

>> And I donate my time to him.

>> If that

-- that's kind of unusual, but if you

-- joe, go ahead. All right. Without objection, council will waive the rules and allow that unusual donation for profess benedict.

>> Hi, everyone. Mayor, city council members. I really have only one contribution to make. I agree with almost all the arguments. I've been part of bcrc for at least a year now, and was helpful, I hope, in making up the design principles that we used. I just thought I would try to give voice to the land itself. So my contribution is just a series of photographs of the lower 35 acres or so, which I am very interested in preserving. That would be the parkland, plus the shoal creek improvement that would go along with it. It is a very, very beautiful piece of land. It is totally in its natural state. There are, to my mind, semi-improved and derelict properties, for example, along east 5th street, from mopec to lamar, which are ripe for development. I'm also totally in favor of higher densities. I'm just thinking that taking a big and beautiful piece of land like this and converting it entirely into market-rate development simply isn't necessary. I would also have some concerns about traffic in the area. I think any developer who
-- I believe I was told there were eight bids going to txdot. I think when eight people are putting field bids in, the chances of any of those bids being accepted at \$28 million is very, very small indeed. And once they've committed to a larger amount of money, the pressure the council will be subjected to and the movement of what would be considered reasonable will be considerable, and I do have doubts about whether zoning itself could solve that sort of pressure. Right now, traffic in that area is totally backed up. It is almost impossible to get through 45th street and bull creek connections. The city will be involved in road widening of bull creek, probably taking out houses all down 45th street, which will now
-- which would probably start selling because their backyards will now be backing onto other streets. I think the knock-on effect of intense development on that piece of land will reach farioned the
-- far beyond the boundaries of that piece of land. I'm here to argue for the preservation of a large, forgotten piece of hill country in the center of austin. It is a very, very large piece of land. I am in favor of

moderate development there. I think you guys are in the best position to take care of it on behalf of the city. Thank you very much.

[04:30:34]

>> Mayor

>> mayor

>> mayor leffingwell: Riley.

>> Riley: I just want to ask you a question. We've heard interest in achieving certain things with this property that would not be achieved in a private sector development, and in particular, we've heard about the importance of deep levels of affordability, which would have some cost, presumably, that a private sector developer would not choose to bear, typically. We've also heard that if the city were to buy this, we could achieve all of those things and still and come out whole on the whole project. And partly by having a fairly dense mixed-use development that would not typically be contemplated. I'm trying to understand your concerns. When I hear you talk about the traffic and the need to have a -- I take it you're suggesting that less dense development is what we need here, and so I'm trying to square your argument with the suggestion that we could achieve all of the public 57600 and

[04:32:41]

>> and building up the street could absorb a great deal of the density that would normally, if we just let developers do what's easiest for them, would be spread deep into the land, deep into the site, with, you know, parking lots and backdoors to stores, and garbage things. So, I do think there is urban design solution that keeps the density close to the street, and that freeze up -- frees up most of the site, actually. Also, if you go to the land, you can see it on an aerial photo, there's a natural fold or break in the land between where the txdot buildings are. Then, an extent of field, a row of trees, and that opens into virgin hill country that you see the photograph of. That seems to be a natural boundary. So when we say 35 acres and 40 acres should be saved, that's along that fold and along that line. So, I'm very much in favor of designing with the land and with the city civically. And I do think it's an achievable goal to have the densities we want to make the money work, and to preserve the land as close as possible.

>> Got it.

>> Are we through with our speakers?

>> We have one more, margo clark.

>> Margo clark is the next speaker, thank you.

>> Oh.

>> Good morning, council members, thank you very much for the opportunity to very briefly speak to you about this property. I want to second most of the stuff that we've heard already about this opportunity. I find it hard to believe anyone would think acquiring a piece of property in this part of town is risky. I live in this part of town, I've walked on this property for about 18 years, and I've always known, from the first time I went there, that this jewel was never going to stay in the

[04:35:41]

-- it's time to walk the walk on affordable housing and infill. This area of town that I live in is difficult to do infill in. There are large lots, people are resistant to reducing the size of their properties and putting in new houses there. Same thing for affordability. This neighborhood used to be a lot more affordable before the appraisal district got ahold of it. I think we've shown our willingness to work with the city to make this a really stellar project. It's much smaller than Mueller, and we know it's not the same thing as Mueller. This is another carry-over from 57600 not going to be an option that the private developer will be able to come forward with.

[04:38:18]

>> There would be no motivation for a private developer to have a tax credit development on that parcel. If they're purchasing the parcel outright, their job is to maximize the return on investment, and a tax credit development with income-restricted units doesn't

-- they're doing no service to their investors, versus a mission-driven nonprofit organization. That's their job. Their job is to be whole as an organization, and of course they need to make money and to be whole as an organization, but their job is their mission. So, private developers

-- we do have Wildflower Terrace, was an example in the Mueller development. That's developed, it's a tax credit project, developed by DMA Development Company. But, the only reason that that is there is because Mueller is required to do 25% affordability, and that helps them get their affordable units. If that were just a prime piece of real estate, Diana would have to go purchase that property and, again, that's not the highest and best use from a return perspective.

>> And she has to buy it from a private developer, who has bid on the land from the state. Chances are, by the time that got into her hands, the numbers wouldn't work.

>> It would not pencil out. It makes sense for a private developer to purchase, put market-rate units on there, in that area of town, that's 1200 to \$1,400 for a unit. We have post property right across the street, across Bull Creek Road. The street, and that's, you know, in the range of what they're selling for. The tax credit ran at 60%, 50%, which would be significantly below market, serving a different population.

[04:40:19]

>> Right, and as you and Mr. Ramiro pointed out, to get more than a couple dozen units, the zoning -- our zoning capacity doesn't really get us there.

>> Correct. As I pointed out before, through the traditional processes, the triangle, zero affordable units. The domain, we have 42 affordable units at 65% MFI. If you look at our PUD process, 13 affordable units in process. 13. That's not meaningful, that's not going to tackle our affordability. It doesn't hurt, but, it's not going to tackle our affordability challenges.

>> And that's across all the tracts that are being rezoned.

>> Correct, through the density bonus programs, traditionally, we get the one-bedrooms or efficiencies. So, we're doing nothing to serve families, and this

-- I look at that tract of land with the access to the exemplary school, transit, jobs, a enormous opportunity for the missing middle. You look at a nonprofit like foundation community, that's a large part of the population they serve, those working families. So, a opportunity for homeownership, great variety of interesting product, diversity of housing choice, as we've been told over and over, it's what we need to get in the city. Diversity of housing choice. Here's a black

-- blank slate to see that come to fruition.

>> Thank you very much.

>> Mayor leffingwell: But, pud zoning could require 25%. And also, I believe, tod zonetion, transit-oriented, requires 25%.

>> The tod zoning has a 25% goal, we currently have three regulating plans in place. So, the goal overall, of course, this is not within the tod, I mean, it's transit

--

>> mayor leffingwell: I was using the examples, zoning can require that kind of

-- that percentage, that particular percentage.

[04:42:26]

>> We haven't historically. And the pud zoning right now, we have 10% of bonus square footage going to affordable housing, and we have a fee and loop provision.

>> Mayor leffingwell: I believe you could require more, and on-site.

>> I think dave sullivan pointed out, we have the land development code rewrite going parallel. Maybe down the road, that's my goal, on the cag for the ldc rewrite, let's get more meaningful affordability in there. But, we don't have that right now.

>> Mayor leffingwell: Okay, morrison.

>> Morrison: I wanted to make some comments, first of all, thank the neighbors that came together and put so much work into this, because I think for this piece of property you have moved the ball forward, understood what the folks and residents in the area are looking for, and really come together, probably educating each other in the process, I think, and helping us create a vision that I think fits within imagine austin of where we want to go. I thank you for that. Obviously, this is a critical piece of property, and critical because it can be defining for the long-term future of this city. And that's what imagine austin is all about. And we heard some comments about it's about compact and connected, it's about a lot more than that, it's about making a healthy austin, building in green infrastructure. And I think one of the exciting things about this property is that we can do insell in a compatible way, and frankly, we struggle with that a lot in this city. So, we have the opportunity to do infill in a compatible way. We have the opportunity to build the spectrum of housing from large to small, family housing TO MICRO-UNITS AND ADUs, FROM Higher income to lower income, to make that complete community. So, I think that it's an opportunity that I for one don't want to pass up being able to really explore. I firmly believe

-- I know there's disagreement here, I firmly believe that history and experience has shown us we will be able to achieve a far superior product in the end if the city owns this property and can control it. I don't believe we can require 25% affordable housing in a pud. In fact, unless we want to change the pud ordinance, we've had a lot of discussions with this body about no, we may not require affordable housing as a condition of zoning. They can offer it, we can have rules in place, the rules do not require

25%. The rules have brought us 13 units city-wide, so, I truly believe that we will serve the city better by purchasing, or at least looking into the purchase of this property. And so, I want to thank my cosponsors, and also staff who have been working very hard and trying to figure out this process under the very tight timelines that we're under. And we

-- with their hope I adopted the resolution, and what I'd like to do is offer a motion to get the conversation started. I do have some questions for staff, but I want to get this motion on the table first. And I think it's based on some conversations over the past few days, I think it's the best way to go. So, I'd like to read my motion. The Texas Department of Transportation offered to sell the 75-acre property located at the intersection of 45th Street and Bull Creek Road in accordance with Texas Transportation Code Section 202.021. This property could be used for municipal purposes such as but not limited to parks and recreation, streets and roads, fire, police, and EMS, library drainage and flood control, municipal utilities, as well as economic development. I move that the city express its interest in acquiring the property as requested by TxDOT in its letter dated July 30th, 2014, by approving a modified version of the resolution for item 14. Specifically, I move to amend section one to read as follows, the city manager is directed to negotiate with TxDOT regarding the price not to exceed \$28,900,000, and delete section two in its entirety. So that's my motion.

[04:47:31]

>> Motion by Morrison, seconded by Spelman. Further discussion?

>> If I could ask the staff some questions. I'd like to maybe first ask our real estate folks a little bit about with this motion, if it's approved, what process would you see us going forward, starting this afternoon?

[Chuckling]

>> Good morning, Office of Real Estate Services, Judy. We have spoken with TxDOT about a right of entry, we would start due diligence, look at environmentalists, surveys, title commitments, the appraisal.

>> With this resolution, it says, city manager to negotiate. So, once you have done all that due diligence, I presume you would come back with a recommendation.

>> Yes, ma'am, that's true.

>> And you have had a chance to be on the property?

>> I have been on the streets.

>> Oh, of course, you don't have the right of entry yet.

>> No.

[Chuckling]

>> Or not admitting to it, anyway.

>> Thank you, Mayor.

>> Yeah, we don't want

-- yeah. Do you have a sense for the property? You've been around real estate in this city for a long time.

>> It is unique. Its location is one we haven't seen in a long time, in regards to size. I've certainly worked on the triangle and some other tracts of land, and these opportunities don't come very often. Even when speaking to watershed and others about their desires, because it has been observed by the state for so long

-- TxDOT took over in 1952, there hasn't been planning on city staff part, cost benefits and analysis,

because it has been owned by the state. So, it is an opportunity, and it is ideally located.

>> Great. Do you have a sense

-- this is probably not a fair question, but, so you can tell me if that's true, do you have a sense for value of this property or not, or you would want to go through the process first? I've heard from some developers.

[04:49:40]

>> I've seen the appraisal provided by txdot, I'm not a licensed appraiser. So, certainly, that step about value needs to be taken furtherer with lawyer

-- lauraine and her staff.

>> I wanted to ask elaine, our cfo, a couple of brief questions. My motion strikes mention of mechanism, funding mechanism. Could you talk a little bit about what you would expect to do, assuming, if this were to pass, in terms of exploring options for funding?

>> Well, certainly. Elaine hart, cfo. We've certainly identified some potential use of existing bonding authority in the event, from park, as well as the possible use of money from affordable housing bonds. We'll continue to look within our own resources to identify additional funds that we could use, as well as other financing sources that will work with bond council to identify any other potential bonding sources or other debt vehicles that we could use. But, we've got our work cut out for us, and we'll start that work right away.

>> And, the striking section two opens it up for you to explore all possibilities for funding.

>> Yes, we're not limited.

>> Great. And then, one last staff member, if we could hear from assistant city manager sue edwards, because sue, it would sort of fall under your bailiwick, what would you imagine possible paths we would start up?

>> On a number of different public-private projects the city has undertaken, we've done a process that varies sometimes, but pretty much has a very solid template. One of the things that we would do, the bcrs has already done a great job of putting together some of the community values

-- many of the community values, so, we would take those and bring those to the council. All of you have seen them already. We would ask the council to look at those values and tell us what you would like to see incorporated into an rfp. We would develop that rfp based on the community values. They could have parameters such as affordable housing percentage, or a

-- assume the kennel says we want

-- the council says we want mixed use, that parameter would be in the rpf. We would issue the rpf and give time for respondents. Normally, we have a variety of different departments that are in the development business, and THEY LOOK AT THOSE RFPs, THE Responses. We evaluate those based on a matrix that is designed based on the value that the community and the council has put together. Once we have evaluated those, depending on the number of respondents we get, we usually pick two or three. And at that point, we bring those two or three to the city council. And normally we would have a council presentation where those particular respondents would make their presentations. And once they have done that, we have a public hearing, and then city council staff would make a recommendation, and city council would make a final decision. I want to back up a little bit to say that

not glossing over what the bcrc has done, that we would work with that community because they have put 18 to 24 months into that particular process, and certainly have a lot of expertise that they have come up with, knowing what they would like to see. The other part of that process is, before we put that rfp out we would probably do a financial analysis. Not necessarily a pro forma, we don't know what we'll get back. We like to send it out and say, under these parameters, you as a respondent, be creative, tell us what you would do and what you would develop given those parameters. So you enclose it somewhat in that box that the community and the council has decided that they would like to see, not telling them how to do it, but telling them what your expectations are so that we get that creative sense from a developer

-- we're not in the development business, we get that creative sense coming back. That would be the process that we normally go through.

[04:54:38]

>> Thank you, that brings up a good point we have to have on the table. We will have so work within certain constructs, we will have to be realistic, we have the values of the goals and the neighborhood that are going to help us in our discussion significantly. And I appreciate that I've heard a lot of flexibility from the neighbors, because, you know, you can have visions, but there are going to be challenges. Traffic's a challenge. And, you know, some of the visions might really not work financially for us, others might. And so we're going to have to be able to mold it, but I think the fact that the coalition has taken the approach of identifying goals and values as opposed to, "this is the land plan we want to see," really puts us in a good position for having what can be tough conversations. But I think it's an exciting opportunity. Thank you, sue, thank you, mayor.

>> Spelman: Sue, I have a couple questions. The procedure, the committee values that were drafted by the bull creek coalition, perhaps you massage them slightly, you bring them to us. And we collectively figure out what we want to be in that solicitation. About how long would it be if we made a decision today to negotiate, and we were able to execute an agreement with the state sometime in the next month or so, how long after that point would you be able to get back with the city council?

>> You always ask that question.

[Laughing]

>> it really depends on how much interface that we need to have with the community to make sure that we understand what their values are, and that would be community meetings that we would want to have and talk with affordable housing folks and talk with other individuals about some of the details of it. So, it could take several month before we get to that point. But we could do it probably in two month, I i would say, but, it really depends on the quality of the dialogue we have.

[04:57:04]

>> Spelman: Although the bull creek coalition has owned this issue up to this point, it's not just the bull creek coalition or neighbors, we'd have to talk to affordable housing advocates, parks advocates, it would have to be a broader conversation.

>> Correct, we'd work with the defendant departments.

>> Something like three months from now, we could reasonably expect to have the conversation about what goes into the solicitation?

>> Correct.

>> Spelman: How long would it make sense to leave the solicitation open before getting proposals, how long will it take developers to respond?

>> It varies, but, about a month to six weeks to give them time to really put something that's quality together.

>> Spelman: Okay. It seems to me that if we're talking three month from today, the best guess is that the decision on what goes into the solicitation is probably going to be made not by the seven of us, but by the 11 of them who will be following us, and although my first reaction

-- I think my staff may have conveyed to you, I want to have something to say about the solicitation, it seems to me that this is a decision which, because it's going to have to be implemented by the next council, might be better made by the council

-- the next council. I think they need to own the solicitation and they need to own the entire process, and it seems to me if it's going to take three or four months for us to get that solicitation discuss together, that might be a very reasonable thing for the next council to be doing in January or February of next year. Does that make sense to you?

>> I think the manager is

--

>> Mayor Leffingwell: City manager.

>> I think that needs to be this council's call. I think we'll bring back a schedule for you, and collectively, you'll have to determine whether or not you're comfortable with it.

[04:59:05]

>> Spelman: Okay. Although I was producing a leading question, I think eventually this decision has to be owned by the next council, they will have to implement it. I do want an opportunity to get another bite of this apple. And I suspect the other six of my colleagues would like to have another bite of this apple, too. So, if we could have a conversation mid-way between the point when we execute this agreement, and we're ready to put a solicitation together, just to monitor where we are and get a sense for what direction Sue and her staff are going in, I think that would probably be the best of all words.

>> Excellent, makes sense.

>> Spelman: All right, thank you.

>> Riley: Mayor.

>> Just one more question. You mention the need for a financial analysis. I think I heard you saying the financial analysis would take place after we entered an agreement to buy the property, is that right?

>> Yes. You're right, you're correct.

>> Riley: And I'm

-- I wonder about that, because we've heard so many expectations for the use of this property, including the expectation that we would make the city whole as a result of the proceeds from the sale of this property while still achieving very significant community goals for the property. Including in that, I assume, is all of the costs associated with issuing the debt, carrying the debt for some period of time,

the whole transaction cost associated with this. It seems like making that evaluation about being able to make the city whole, to be sure we're not imposing a burden, it seems like there's a degree of financial analysis that would be required to make that judgment up front. And that really would typically be part of a due diligence, in addition to checking out the property, isn't that right?

>> Yes, you're correct. There are several point along the line where we'll make financial analysis. I was speaking to once we've purchased the pro property and know the values we'll look again at what we would have to ask for the property in order to benefit the city. But, definitely before the property is purchased, we will do a financial analysis. There has been some discussion about parkland and a discussion about affordable housing, and the question is whether or not the council would like to give that, donate that, or you would like for a developer to purchase it. There are a number of different ways that you can do that. So, yes, definitely, you're correct. We will do probably three financialage -- analysis as we move along.

[05:01:51]

>> Riley: If the idea of the motion is to enter a due diligence period to check out the property, is part of the idea that that due diligence would include some assessment as to how the economics of this would work out for the taxpayers of austin? Would that be

--

>> you're correct.

>> Riley: Would that expression of interest still be enough to keep the state

-- I guess that's a question for the law department, really. That would we still have the option, after having look

-- taken a closer look at this and considered all of the economics of achieving everything we would want to achieve, we would still have the prerogative to decide, well, it's just not going to work, and we could still bow out having made that decision, even if we were to approve this motion?

>> Attorney, law department. In connection with the letter sent by tk

-- txdot, we are comfortable that the motion made by council member morrison satisfies the requirement set forth in the letter. Section 202.021 of the texas transportation code specifically states the city has the first option to purchase the property, but it doesn't set forth any other requirements in terms of how that process needs to look. And so we are comfortable that council member morrison's motion is responsive to txdot's letter.

>> Riley: So, I guess this is a question for the sponsor of the motion. Is part of the idea of entering in this negotiation period that we would be able to conduct some assessment as to

-- regarding the economics of the transaction ahead of us to see if this really would work out in a way that would avoid imposing the additional tax burden on the taxpayers?

[05:03:56]

>> That's certainly the intent I had in making this motion. Clearly, there are some terms txdot might be asking for that are not laid out in the letter, that's the only realistic way anyone could interpret how we could move forward at this point.

>> Mayor leffingwell: Just to get a clear answer on the question, there's a period of due diligence that would follow any action today, and we're in no way

-- we're in no way bound to follow through on that.

>> That's correct.

>> Mayor leffingwell: We're in no way binding ourselves to purchase this property with this action.

>> That's correct.

>> Mayor.

>> Mayor leffingwell: Mayor pro tem.

>> I want to thank the neighborhoods and the housing and everyone I've received calls from about this issue since the posting on friday. Thank you, laura moryson. I especially want to thank council member morrison for changing the language so that it is clear that we are only negotiating about this property, and we are not purchasing this property, and that are we are going to do our due diligence. I wanted to and

-- ask juni a question real quick. Can you say when the city first received this offer?

>> I just know the letter's dated on july 30th. But, at the very point in time I made contact with txdot, they extended that period until friday, september 12th for us to take this under consideration.

>> So, some of the angst that has been in the public about how quickly we need to act and what we need to do has been driven by a belief that the state is requiring us to do it. And so now, I think we are clearly at the point where we understand, and from what we know, they understand, that we're going to enter into discussions, but we're going to do due diligence in that, which includes an appraisal, which I was very uncomfortable with moving guard without that, and an environmental assessment, and also, as council member riley brought up, financial due diligence. So, I want to ask

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[05:06:12]

>> I do want to say one thing about the schedule. Txdot has been very clear that they are looking for this item to go on their october 30th transportation commission with a recommendation with the government

-- to the governor at that time with a closing within 60 days. So, txdot has a very clear schedule they have laid out to me.

>> Thank you, I think that's it. I'm going to ask council member morrison if these would be potential friendly amendments. One, I would like to add a whereas clause that says, whereas the city of often has standard operating procedures with respect to real estate purchasing, including apace

-- appraisals and environmental assessment, that would add that clause in fact and then add another, in connection with that clause, that says if resolved, the city of austin shall follow its normal standard operating procedures while negotiating acquisition of this property.

>> Morrison.

>> Morrison: Mayor, I've been working with staff carefully on this, and so I'd like

-- I don't see anything on the surface of having an issue with that, but I would like to ask staff

-- for staff to input on that.

>> Mayor leffingwell: Okay, city manager.

>> Yes, I would ask the mayor pro tem for some clarification on standard operating procedures.

>> Let me ask, we can delineate those, all I knew was archaeological surveys, environmental assessments, and appraisals

--

>> we will obtain a title commitment, we will obtain a survey, certified to the city so we can rely upon that survey. We will be going guard with the phase one environmental site assessment certified to the city, and hopefully physical have no further recommendations. And we will also be conducted with lauraine's staff, that would be a standard operating procedure.

[05:08:28]

>> There's really nothing about this, ultimately, what may be a transaction that we would do different in terms of the preceding due diligence associated with a land purchase in fact judy and the lawyers will do all those things we do, as we're proceeding to the prospect of any real estate purchase.

>> This particular purchase and our dealings with the state on purchases and this language is all new. And there has been considerable angst in the community about us not following our normal practices. We don't normally hear a resolution in the middle of the budget. So, I can

-- I think putting this in the resolution and making it clear we're not purchasing the property, we're going to do our normal due diligence procedures, as we would others

-- otherwise do in connection with this transaction is important.

>> If it brings a level of comfort that's fine, but, I wanted to note we're going to do those things.

>> Tovo: I heard the whereas that talked about environmental, I think you mentioned environmental assessment and an appraisal.

>> Yes.

>> Tovo: I wondered if your language might be specific to those, thus answering the question the city monitor raised about whether standard operating position was vague. And I don't have language

--

>> I'm fine with, be it, therefore, resolved the city manager is directed to conduct the environmental and financial measures necessary to insure due diligence, or maybe

--

>> well, actually, council member tovo, those two things, the environmental assessment and appraisal were together, I was going to talk separately about the item council member riley brought up, and have a different whereas clause. We have a different group of the community very concerned that we do due diligence in this purchase from a final perspective. I was going to deal with that separately.

[05:10:42]

>> Mayor leffingwell: Let me just ask if the maker and second agree to the friendly agreement.

>> I need to hear more from staff, could I hear more from our legal staff? Did you hear the first proposed motion?

>> Dy, I did, could you repeat it?

>> Whereas the city of austin has standard operating procedures with real estate, including conducting a

place

-- appraisals and an environmental assessment, that's whereas. The be it resolved says, be it resolved the city of Austin shall follow normal standard operating procedures during the purchase

-- I mean, normal operating procedures while negotiating aspects of this

-- acquisition.

>> One clarification, normally, it might not be applicable to this transaction, is the negotiation and execution of a purchase and sale agreement. From a due diligence perspective, we anticipate that anything would be the same, it's just any kind of warranties or reputation that is you might have in a purchase agreement, we might not be able to obtain.

>> I understand there may be limitations, because it's a governmental entity and you have to follow those forms. I just don't want us going in

-- I want us going in assuring the public that the title

-- title commitment, we are not doing anything out of the ordinary, just because we posted three days ago, and doing it during

-- during the budget workshop.

>> I just wanted to clarify, from the negotiation and execution.

>> Okay, mayor?

>> Mayor Leffingwell: Morrison.

>> Morrison: Eric, would you be more comfortable if the whereas actually called out standard operating procedures for real estate transactions with other governmental entities?

[05:12:50]

>> That would be --

>> that's fine.

>> Morrison: I think my cosponsor might have a comment.

>> If mayor pro tem would like

-- thank you, mayor. If she would like us to list out those things that we insist on as part of due diligence, I think that would be perfectly appropriate. We've got a nice list.

>> That's fine if we list them, as long as they are in there and it's clear we're going to do this.

>> Spelman: Okay, good.

>> And we'll follow those that are done with other governmental entities.

>> Spelman: Okay.

>> Okay, so, I would accept that as friendly, and I wonder if the clerk understands the motion for the record.

>> I could read it to you

-- I could read the language to you, or I could just write it all down and hand it to you. We'll get it to the clerk in writing. That's accepted by the maker and second, and it's part of the motion.

>> Okay.

>> Mayor Leffingwell: Mayor pro tem.

>> The second whereas, whereas

-- I think we can just do the be it resolved. Be it resolved, the city of Austin should use its best efforts to

recoup all the moneys of this investment and increase the tax base through consistent with the negotiations of property and report back to council. And I might need some help with that, I just wrote that, but I think we definitely have to have some language that makes clear that we are intending, even in these negotiations, to recoup our investment.

>> Mayor leffingwell: Council member, are you finished?

>> Cole: Yes.

[05:14:52]

>> Martinez: Thank you. I support the intent, but, when you're talking about investment, and return on investment, it's really value, and I would hate to putter a

-- put a return on that investment strictly on the dollar amount. There is value in other benefits, that's why I'm going to be supporting this moving guard. I was going to move against move forward with the purchase, but, it's important to move forward and have the conversation. If we tie it strictly to the purchase price, and we say that we want to insure a 100% return on the investment dollar for dollar, we could be losing tremendous opportunities there in other community benefits such as open space, affordable housing, all the other issues we've talked about leading up to today. So, I'm supportive of the intent, but, maybe just add language that speaks to values and not necessarily explicitly dollar amounts.

>> Cole: But, council member martinez, what

-- I'm trying to understand about value, and I understand about the hard dollars. You and I both hear enough about the hard dollars nowadays. I was thinking that maybe we could say that we wanted to have

-- report back to council about the financial feasibility of this investment, and that leaves it open to talk about value so we know the hard numbers, and we show we can count, also. So, I would make a friendly amendment that we add language that the city manager is directed to bring back to council a report on the financial feasibility of this purchase within, I would say, 180 days.

[Chuckling] just report back to council.

[05:16:57]

>> Mayor.

>> Mayor leffingwell: Council member spelman.

>> Spelman: Okay. We can't go back to 180 days. Much as I would love to see somebody do the analysis, we need to get back to txdot before october 30th, probably well before. We have to put up with what we can get in a 30-day period, I think. But, it seems to me, there are two things. One, as council member martinez said, will we be able to make the city whole, as a financial transaction, and will we obtain enough public value, stuff we couldn't have gotten through the alternative transaction of a developer purchasing the property, to make it worth our trouble. That's the sort of thing we need our staff to be able to look at and provide us with information on both of those two things, financial analysis as well as public value.

>> Cole: Let's just have a vote.

>> Okay.

>> Mayor.

>> Mayor leffingwell: What's the status? Is this a proposed friendly amendment?

>> Yes.

>> Mayor leffingwell: Okay, morrison.

>> Morrison: Before I can say yes, I need to ask maybe assistant city manager edwards a question, because sue, you were talking about three different financial analyses at different stages. And I think, probably, the one that would be done during the due diligence is what mayor pro tem is talking about.

>> That's correct.

>> Morrison: So, I wonder if we could just call out the

-- we're asking them to do what they're already doing. Are we asking them to do anything more?

>> We normally would look at the financial analysis. Based on whatever juni comes up with in terms of the assessment of the land, or the property.

[05:19:00]

>> Morrison: So they will be coming back to us, that's part of they're standard operating procedure with a financial analysis. From mayor pro tem, what beyond that are you asking for?

>> Cole: When I talk about financial analysis, I'm including an idea of a cost-benefit analysis, which would include hard dollars like an roi, but would also consider what councilman martinez is talking about, the other public purpose values like green space.

>> I think when you look at a cost-benefit analysis, you have to have the details of the project, we will not have that.

>> Cole: What will you know, when you say you will do financial analysis, what is that?

>> You will have the value of the property itself, and then as I mentioned before, there would probably be some discussion about whether or not the council would want to provide parkland or affordable housing land to a developer as they move forward. That has an impact on, really, the rate of rush -- return the city would get. There are a number of opportunities to look at that from a different way. We could put that together, but, those are really just estimates of somebody's imagination, quite frankly, at this point.

>> Cole: I guess I was getting at, really, what council member riley brought up. This has only been looked at by txdot as residential property. If we were to consider potential commercial development, then I would assume the return would be higher. And if we talked about having, you know, 50% parkland as opposed to 20% parkland, rio would be higher. And so, I would like us to know

-- have from staff a recommendation of a positive return on this investment that would include not just residential development, but commercial development and not so much parkland that we -- that's the type of thing I would like us to know.

[05:21:09]

>> Mayor, question.

>> Mayor leffingwell: Morrison.

>> Morrison: I do believe that part of the process is going to be to do sort of a high-level land plan, but, I

think juni or sue has something to say.

>> We were talking about the fact we can ask the appraiser to do an appraisal in a number of different ways, we would look at a development assessment and bring you back some alternatives.

>> Does that give you a sense of cost per unit? We have a sense of how many units txdot can be built, take it from a development assessment. It might not be pure economic

--

>> cole: Can we call that a financial analysis and development assessment?

>> Yes, ma'am. I don't know exactly what the product will look like, but, I know we can work through that process.

>> Cole: Okay, that's what I would like.

>> Morrison: So it sounds like the motion would be, be it resolved the city manager is directed to include various development assessments in their due diligence and to report back on financial

--

>> cole: I would call it financial assessment.

>> Morrison: The financial implications.

>> Cole: That's good.

>> Morrison: Is that your motion?

>> Cole: That is my motion. So moved.

>> Mayor leffingwell: Furnish it to the clerk in writing.

>> Morrison: I don't know what I said, I'm sorry.

>> Mayor leffingwell: I don't either.

>> Morrison: I think it made sense, I just can't repeat it. The city manager is directed to including various development assessments in their

-- in his

--

>> mayor leffingwell: Various development scenarios in their assessment.

>> Cole: Financial assessment.

>> Morrison: Okay, is that

-- and report back on the financial implications.

>> Yes, that's friendly.

>> Mayor leffingwell: Council member spelman? Okay, if it ever got to be my turn, my question was going to be, you know, how're you going to do an appraisal when you don't know what the restrictions on development of the property are going to be. You're going to have to present a variety of different -- different scenarios, and those are going to be different appraisals for those different scenarios. So, the other thing I was going to say is, you know, I appreciate all the ideas that we've heard here today, and in the last couple of days. And in concept, I support all of those values. As a matter of fact, I just found out this morning, I'm in a neighborhood that's a member of the bull creek road coalition.

[05:24:01]

[Laughing]

>> so I'm glad to know that. And I think it would be entirely different if we had the money laying around

to do this. But, I just have a hard time

-- I heard the comment from the cfo about various creative financial instruments to get there, but at the end of the day, what we're considering today, we're going to have to borrow that money. And I'm very uncomfortable with the idea of borrowing a large sum of money like that, up to \$29 million. We're probably going to be very close to that, without voter approval. And if we had voter-approved bond money sitting somewhere that would be appropriate for this use, I would be a lot more comfortable. But, as it is now, I'm not so much so, especially given the fact that I don't see it as an emergency, because, I continue to believe that the tools that we have for land development and zoning of property in the city would protect all of those values adequately. Council member tovo.

>> Tovo: Thank you, mayor. I have one last question for staff. There has been a little discussion, including some in the media, about this property potentially being removed from the tax rolls

-- excuse me, except off the tax rolls. And I wonder if some member of staff could talk about that issue. If the city owned the land, and did a ground lease, it has the ability to collect property tax, except on the land devoted to parkland.

>> That's correct. Resolution number 009007-72 allows for the recapture of that tax revenue, to the extent there is a ground lease, and there is some sort of private activity on that lease space. Then those amounts would come back into the tax roll, and then a portion of that would go to the housing trust fund.

[05:26:15]

>> Tovo: Thank you, I appreciate you clarifying that, I do want members of the public to know that this land does have the ability to generate tax, even if there are portions of it that continue to be owned by the city. And I just want to say, I'm fully

-- I was really pleased to cosponsor this item, and I'm really excited about it, and very supportive of moving forward with this negotiation with txdot. I think it's an extraordinary opportunity, the community has come forward and said, this is a really unusual situation, we've had community members working with design professionals to envision what might happen on this this tract, and we have a significant opportunity to realize benefits we wouldn't otherwise, such as the parkland and affordable housing in an area that lacks it. And in an area of town

-- exactly the kind of area of town we want to encourage it with access to transit, great schools, jobs. So, if we are serious

-- as I know we all are

-- about creating affordable housing in all parts of town, this is a really wonderful opportunity to do so.

Thanks again to the lead sponsor, council member morrison, and all the staff. I know you've worked quickly and diligently to bring us this opportunity, and will continue to do so in the weeks ahead. You have a lot of work ahead of you in a short timeframe, so, thanks in van.

>> Mayor van.

-- Advance.

>> Martinez: If we move guard forward with purchasing this property, and did a process to determine, in the end what kind of development would occur, do we have the

-- under current state statute, I think, constitutional right, do we have the ability to write in an rp the

pro-collusion of protesting property taxes on an ongoing basis?

[05:28:25]

>> I think that's something we're going to have to check out, council member. I think state law property owners have the right to do that, and so, we just need to look at

-- because of the right granted under state law, can we as a municipality restrict that in any way, when we are conferring benefits to a property owner. Someone will look at that and give the council an answer. I don't have an answer today.

>> Martinez: Sure. That question has come up on numerous occasions, I think it's going to be asked. I want to hopefully get an answer at some point during this process. As I said earlier, I have a lot of concerns moving guard to

-- forward to quickly with the outright purchase of this property, but, I certainly did say from the onset, it would be an ideal scenario if we could own it. We could be very proscriptive in what takes place, including all the community benefits we talked about. So, I appreciate the rephrasing of the language and deletion of some of the language. I just want to be crystal clear. The posting language is clear, we're moving forward with issuing debt to purchase this, because of our amendment to the resolution, we have severely changed that posting language. And I don't want the public to get the intent that what we adopted is what's in that posting language. We were just moving forward with some due diligence, and as law has said, we believe we are meeting our requirement to let the state know we're interested. [One moment please for change in captioners] I think it's worth a closer look so I will be supporting it.

[05:31:46]

>> Mayor Leffingwell: Okay. All those in favor of the motion say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. That passes on a vote of 6-1 with myself voting no. So we're done. [Applause] okay. So we're back to item 1. [Laughter] hopefully it will go a little quicker at this point, but I think we're still working on our council amendments.

>> Spelman: Mayor, could we take a short recess to allow the room to clear?

>> Mayor Leffingwell: Yeah, we could even take a longer recess and have lunch. Without objection, we're in recess for approximately 45 minutes to an hour.

[06:41:58]

>> Mayor Leffingwell: Okay, we are out of recess and we'll continue with item number 1. And councilmember riley is next. City manager has a few words.

>> Thank you. We wanted to before you get into number 1 and finish that out hopefully soon, we wanted to give you a summary based on where you ended up yesterday, ed is going to do that in a moment. You'll recall at the end of your discussion you asked us to go back and perhaps look at our one-time recommendations. So after the meeting yesterday we stayed around and did that. I'm going to also have ed describe for you what options we came up with. Having said that, though, I want to preface that

by simply saying we remain tied to our recommendations that inasmuch as you were looking for options such that you could address the additional one-time expenditures we have information in that regard. Ed.

>> Thank you, city manager. Ed van eenoo, deputy cfo. We have passed out this summary sheet. It's the same information that's in your binders, but we've included some green highlighting that is essentially the score sheet where we lost off yesterday. Everything in green has been approved by council. Some approved at dollar amounts less than initially proposed. If you flip to the last page, you can see how we're doing with the bottom line that we had for critical one-time. All of that has been allocated to council funding priorities as listed on this sheet. We had 3,432,427 of ongoing general fund funding options identified and nearly all has been allocated. And some of these actions impact our enterprise operations and the net impact is \$787,057 and we're still monitoring that checking the available ending balances of those different enterprise operations to make sure they have sufficient funds to cover that at additional costs. In regards to what the manager was talking about, council had given us direction to find additional sources of one-time funding, \$110,000 for item 112, master planning efforts related to west st. John's avenue. 1.13 was try to find \$225,000 for houston-tillotson wellness center. The third item was try to find funding or the aquatics center. We put our collective minds together last night, got together with our staff from the fleet department and city manager's office and really scrubbed through that list of \$29 million of items that staff was recommending as part of our proposed budget to utilize out of our budget stabilization reserves. And from that effort, you know, we would offer up for council's consideration \$807,000 worth of items and I'll give them to you in a high level. One of the -- one of the significant costs in that \$29 million is -- was funding a reserve fleet for our police officers. Of course, our police officers rely very, very heavily on their vehicles. It's, you know, often dangerous pursuit type vehicles and a number of vehicles get wrecked. Without a reserve fleet, if there's a wrecked vehicle, the police department has to start scrambling and trying to find some vehicle that remains in the fleet. Oftentimes after a vehicle is set to be replaced, the police department will keep that old vehicle just in the case that there is a wreck. That, you know, causes operational issues because this is a vehicle that's already past its life, it's passed the point it should have been replaced but we're hanging onto it in case it's needed. The fleet trying to keep those vehicles operating and it causes issues for our police department having to put a less than ideal vehicle into operation. The reserve vehicle essentially anticipates during the year there's going to be wrecks, there's going to be a need to replace vehicles. So staff had proposed 40 vehicles for that reserve fleet, meeting with the police department, meeting with the fleet department, we feel we could still meet the operational needs of the police department by lowering that to 30. Essentially we would reduce the planned reserve fleet for the police department by ten vehicles. That's about \$600,000. Those are roughly \$30,000 per vehicle, plus all the equipment that goes into them is about another \$30,000. In addition to that, we have looked at, you know, what we felt maybe were some of the lowest priority items on that list and, again, I wouldn't want to characterize them as low priority. I would think they are all well justified, think they are needed, think they are important to meeting the operational expectations of the council and the community. But that said, we've identified three additional vehicles on the list, a coupl priuses and a truck and four trailers we feel could be deferred one more year. I want to stress sticking on this equipment, it's kind of kicking the can down the road for a year that to the extent they already need to be replaced, they are going to really, really need to be replaced after

another year of service, but that's an additional \$200,000 of equipment we would offer up to council. So in total we feel recollect reduce that list by \$807,000 if council wanted to take that action and allowing you to fund some of these other priorities.

[06:48:22]

>> Mayor Leffingwell: Okay. Correct my math, but I had \$600,000 for reducing the number of vehicles in the reserve fleet.

>> Yeah, a.P.D. Reserve fleet, that was \$600,000 and \$207,000 from another seven pieces of equipment that are on our replacement list.

>> Mayor Leffingwell: Okay. So I had

-- that's good. That answers that question. Any other

-- councilmember martinez.

>> Martinez: Ed, can you give us the budget expenditure from pard, \$867,178?

>> Sure. As you probably are aware, there was a number of issues with the construction of turner roberts. There was revisions and changes to that facility that needed to be made. We were informed by our bond counsel that that

-- because of its use by the school, it's a joint partnership with the school and the city, that that would not be an option for finishing that building. And so we moved forward with completing the construction of the turner roberts facility. I think it was about \$2.4 million of additional costs and we've been funding that cost over the last couple years at about \$800,000 a year. So this is to complete the turner-roberts facility, and again, initial facility was paid for with that, but the

-- our bond counsel opinion given it was to be used by the school district it would be [inaudible].

>> Martinez: Thank you. I see that there are three different locations where we are doing one-time expenditures for google fiber, and so in crd, is that supposed to be pdr?

>> I'm unaware of the pdr and the austin transportation department ones are coming to mind.

[06:50:27]

>> Morrison: Maybe the library?

>> Specifically referring to the google fiber so that was 700,000 in pdr. Let me see.

>> Martinez: So do we anticipate all of these temporary positions for google fiber just to be for this f.Y.14-15?

>> I believe that's the case. I know we have staff here that are more familiar with the for the google fiber. Lists all the \$29 million of staff recommendations. The items we're talking about right now are on page 3 and page 16 of that list. So the \$300,000 in the austin transportation department and the \$700,000 in pdr, there is a typo, a total of a million dollars which fund temporary employees that need to do keep pace with all the activity happening with the laying of the google fiber network. The item, the citywide item for google fiber equipment is so the silts can tap into the benefits of the fiber that are being put in. We do have staff here to respond to the permitting needs.

>> Greg guernsey, director of planning development and review. The positions that are identified in this budget are for this year, depending on how construction goes, we might anticipate the direction might

be at least one additional year that we with might be coming back to you for one-time funding. These are for inspections, for reviews. There's also a portion of the money, there's about \$691,000 that would be in the pdr d budget. Also another 300,000 that would pass through my department that would go to apd to assist also for the construction of the fiber network in the city within the rights-of-way.

[06:52:48]

>> Martinez: I'll ask you the same question, rob. Do we have I guess a benefit analysis to the service that we're going to be provided by google that would

-- to demonstrate it would off set the costs of these temporary to get google fiber implemented citywide?

>> My department doesn't go through and do the analysis for franchise fees. The permits that -- generally called a general permit, and then heavy hut buildings which they would file tore the actually construction of smaller buildings used to build the network through. These casts are actually borne because the amount of construction is just so high that we need additional staff to take care of getting the fiberoptic reviewed and put in the ground and inspected. And if I were to use regular line staff, I'd actually slow down reviews on our site plan work that may conflict with all this high demand.

>> Councilmember, robert spiller, austin transportation department. I would add as part of that value is making sure the conflicts that occur in the right-of-way are avoided and so there's a huge benefit. The franchise fee don't actually starting collecting until after they are up and operating and collecting fees so there's this lag time before revenues would come in for the next period of time.

>> Martinez: So how do we determine the number of temporary employees that will be needed for full implementation? Is it a ramp-up or are you going to start hiring them right away?

>> So we've been ramping up in transportation already to keep up with it. And it really is a work schedule-driven effort on our part to try not to slow down the rest of it. And so we're ramping up and as greg said it's about \$300,000 for transportation. This first year that also takes care of the equipment that those temporary employees will need for the duration of the inspection, be it computers or whatever.

[06:55:02]

>> Councilmember, I would also concur with what rob said. We'll probably see the ramp-up really this coming fiscal year and that will actually see probably the most construction. We've been slowly ramping up as inspections and plans are issued. We are slowly adding staff. How many staff I'm actually adding are part time. Their previous ex-inspectors that have retired that I've brought back, which is fairly to our benefit because it reduces training time. We do anticipate at some point we'll have to hire more employees and train them at the same time as we move forward because the construction is going to increase.

>> Martinez: Thank you.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: So I don't know if this is for either of you, but, of course, google is putting in their fiber, but we have other telecommunications companies doing a lot of work, at&t, time warner. So I see on here we have google fiber, but then the discussion is all about major service providers have aggressive plans.

So is this really specifically for google and you all expect to ramp up even more when the landslide of other permits comes in, or not?

>> Well, this is based on information that we've been working with google on. If at&t certainly comes in or other providers that might come in, we might have to do a re assessment of what we might be able to do. This year we've gone able to cover increase in demand through temporaries and working through the budgets that we have. If that actually comes to pass or at&t starts ramping up and they identify a schedule in a manner that might be similar to google, we might have to be coming back and asking for more money to cover that if their construction schedules coincide.

>> Morrison: I think that's important to point out. I just want to make people understand that for any large project like this, we fully expect to staff up to be able to deal with it so the whole system doesn't come to a standstill basically. Then the other question is obviously for all that work, they are charged permit fees. Do we expect those permit fees to be covering, actually equaling a good amount of this cost?

[06:57:28]

>> Well, the permit fees for general permit are minimal. Usually they are ones that we extend to any of our utilities, allow for repair and installation of a smaller line. The huts certainly come in as a site plan that would go through review. Rob mentioned the franchise fees that we would incur later on. But there -- those fees that we bring in normally don't anticipate lining an entire network out as it's being envisioned now with google as they come in. We accept about 10 applications a week and we have a turn-around time that we've try to to work with google to make sure they are not submitting everything at once. We do a review, get them out. They would turn in an update and we would get them out and hopefully by the end of 30 days we're actually moving them out the door and actually allowing them to proceed to install. So working with google as we would work with my provider is working through their engineered plan, making sure that they are avoiding trees like we would on any other projects or other utility conflict, but they are spaced out and that's the advantage of going in and working with a public-private partnership and getting the installation of all this infrastructure in. I'm not overburdened in a sense they are all hitting at once and we can space those out. The idea of having temporary staff is when this project is done there wouldn't be a full cost, they would be carried over in future years.

>> Morrison: And I want to make one comment, clarification perhaps to councilmember martinez's questions and that is a \$400,000 cost for citywide equipment to hook up our community connection site. That's all the libraries, one texas center, the central library and all of those. We actually need some equipment to be able to get hooked up because of the fiber, and it's my understanding that we have 400,000 in there for the next

-- for this coming year and the year after that. The total was going to be 800 so we'll be able to take advantage of that.

[06:59:53]

>> Mayor Leffingwell: Okay, and I just want to say before we get started here, you were asked to do this to identify perhaps a way to describe it would be the least detrimental places to take money and out of

the one-time expenditure, increase that by 807,000 and that's what you've done?

>> That's correct.

>> Mayor Leffingwell: But that doesn't

-- you still consider these to be higher priority than the items that are listed as potential items from council. That's my understanding. In the opinion of staff, that's your recommendation.

>> That's correct.

>> Mayor Leffingwell: And I would also suggest if it were the case that you made the determination, we really don't need to spend this \$807,000, probably an option to be considered would be to use that for a tax rate decrease. That's always a possibility. It doesn't mean just because, as my dad used to say, that money is burning a hole in your pocket so you've got to spend it quick. We don't have to do that.

Another option would be to not spend it and use it for property tax reduction. Councilmember Riley.

>> Riley: Mayor, that idea does have some appeal although advising us one-time funds are

--

>> Mayor Leffingwell: I've heard it three times in the last two days.

>> Riley: I wanted to underscore that.

>> Mayor Leffingwell: People can always find a reason to not reduce your taxes.

>> Riley: I do not propose to use the funds staff has identified, but I would like to propose an amendment that doesn't have a financial implication in terms of the bottom line of the tax rate. If

-- on the unmet service demands document, priority 2 is one new feat position in the [inaudible] within economic development. And what we heard from staff is that an additional position is needed, sound impact evaluations and preparing reports as well as administrative support for the music venue program. The music and entertainment division is proposing a new fee for sound impact evaluations beginning October 1, 2014. The revenue from those fees will cover the costs for this position. And so we do need to authorize it within the budget, is my understanding. We need to provide the direction at that part of the budget and also need to provide direction when we get to the fees part, but there is no net impact on the bottom line.

[07:02:58]

>> As you were speaking somebody came up and whispered in my ear this item has been included in staff's recommended budget. Obviously we wanted to verify that before we have you put another one in.

>> Riley: I had just asked that.

>> Mayor Leffingwell: You've already got it.

>> Kevin Johns, economic development. Thank you very much. Appreciate it. It is covered.

>> We've already included the new position and the fee change in our proposed budget.

>> Thank you for asking.

>> Riley: Thank you for taking care of it. When I first asked I was told it was not in there, but I'm glad to hear it was. I will then pass.

>> Mayor Leffingwell: Councilmember Martinez.

>> Martinez: Thank you, mayor. Going back to the unmet service demands, I've identified two more part-time

-- part-time city employees in the city clerk's office that they have requested in their unmet needs to convert to full time. One is a full-time administrative specialist and the other is a corporate records analyst. I wanted to ask staff if we
-- or Jeanette, wanted to ask if we converted those to half time employees to full time, what would be the structural impact to the budget? And this reason I think this is upon, obviously you all know Jeanette has had a tremendous amount of work leading into this transition. New council and new form of government and I dare say her work is not done and the clerk's work is not done with all the things they are going to have to keep up with from payroll to just administrative assistance to the new council and I would like for us to consider converting the two half-time employees to full time. Employees. That's
-- Jeanette, correct me if I am wrong, it's the administrative specialist and the corporate records analyst; is that correct?

[07:05:01]

>> It's an administrative specialist and a research analyst.

>> Martinez: Okay.

>> And based on my figures, those

-- converting those positions to full time would be \$105,280.

>> Martinez: I'll make that probably then.

>> Mayor Leffingwell: Councilmember Morrison.

>> Morrison: This is a question for ed. 50% from the general fund and 50% from our funds because it's a support?

>> Yeah, it's a support service cost. That would be roughly the

-- we would have to rework those numbers, but roughly 50/50.

>> Mayor Leffingwell: And what is the amount again? 105,280. It would increase our f.T.E. Count by two to convert two temporary positions to full time.

>> Mayor Leffingwell: Which column does it come out of? One time?

>> It's going to come out of a split between the general fund and our other funds.

>> Mayor Leffingwell: Okay. So I'll object so we'll take a vote on it. Anyone else want to comment before we vote? Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. No. That passes on a vote of 6-1 with myself voting against. Councilmember Tovo.

>> Tovo: Yesterday I proposed spending some additional funds for the St. John's

-- 401 St. John's and so I would like to do that now that staff has identified some additional money. As you know, we passed yesterday with the unanimous vote, I might add, using \$12,525 from the general fund for ongoing maintenance for this tract. And so I would propose we use \$87,475 to fund the additional expenses associated with that or some of

-- I will say some of the additional expenses. There will surely be more, but as we heard yesterday that will allow them to do cleanup on the site, some of the planning and potentially have feed money for some of the amenities that the community supports.

[07:07:45]

>> Mayor Leffingwell: Councilmember spelman.

>> One-time only money?

>> Tovo: Other items that were on staff's proposal, but there are some items on there that we -- that ended up on the one-time funding list that really were, in my opinion, did not receive full vetting and so I'm happy to identify the one that comes to my mind which is the south central waterfront plan. This was like the other items on our list supported by a council resolution, please identify the funding. It was not supported in last year's budget, staff went forward, they were able to do very good work using grants and existing staff resources. We were beginning a discussion at the midyear about whether or not to fund that through the midyear surplus and that item was withdrawn from consideration and it's here in the budget for inclusio one-time funds. There are items paid or out of one-time funds that haven't been identified as priorities. But I would say the 401 st. John's is

-- has certainly received a lot more discussion and is a high priority for funding and that's why I'm pleased that the staff were able to identify some funds. If it makes anyone uncomfortable to be spending that, we might take a look at some of the other items on the list. That was really for the mayor's benefit because I'd like to get his vote on this too since you supported the maintenance.

>> Mayor Leffingwell: I'll object to that. Further discussion? Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. That passes on a vote of 6-1 with myself voting no. So that's 87,475 from the newly rejuvenated one-time fund. Councilmember morrison.

[07:09:56]

>> Morrison: Thank you. I want to thank staff for the work you did last night. I suspect at least one phone call I got there were staff members working very late and I appreciate that because the one item that I still thought needed to be fit in or that I was keeping an eye on that I feel needs to be fit into the one-time funding is the completion of the aquatic master plan. It's a plan that council approved moving forward. We found the first round of funding and I think it wasn't clear until later in the budget process that a second round was needed in order to finish the process. And so that is

-- would be \$250,000 in one-time funds and I think it's entirely appropriate that we set that as a high priority so we can complete the job and not waste the effort we've already done. So that's my motion, to take \$250,000 in one-time funds to fund some of the

-- what staff has done for the parks department to complete the aquatics master plan.

>> Mayor Leffingwell: Okay, so that's for item 1.28? 250,000 from the one-time fund, which would be basically vehicle replacement. Any objection? I object. Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Passes on a vote of 6-1 with myself voting no. Councilmember spelman.

>> Spelman: Marry have only one more add I want to consider, and this is in our public works department where we have seven people who have been working, as I understand it, for several years for the public works department as crossing guards, crossing guard supervise, but who have only been

temporary employees. They have not had access to benefits, particularly the health benefits. I would like to convert those temporary positions to crossing guard supervising positions so they could have access to health benefits. I understand that's a cost of \$110,943 to the general fund fund. Item 1.45. 110,943.

[07:12:12]

>> Mayor Leffingwell:943?

>> Spelman: Yeah. I have no more adds after this, mayor.

>> Mayor Leffingwell: Thank you. I'll object and call for a vote. Those in favor aaye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Passes on a vote of 6-1 with myself voting no. Mayor pro tem cole.

>> Cole: Yes, mayor, I want to point to item 1.13 that I asked staff to consider funding some one-time funding for which is the item for phase 1 of houston-tillotson's health and wellness center, allocate \$225,000 instead of the \$850,000 that were originally requested for this effort that is in east austin and shown to be a high need in the community nor health and wellness.

>> Mayor Leffingwell: What item number is that?

>> Cole:1.13. It was martinez's original.

>> Mayor Leffingwell: And say the amount again and where it's from?

>> Cole:225,000, 1.13, one time.

>> Mayor Leffingwell: I'll object. Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Passes on a vote of 6-1 with myself voting no. Councilmember riley.

>> Riley: Going to pass again.

>> Mayor Leffingwell: Councilmember martinez.

>> [Inaudible]

>> Mayor Leffingwell: I think we have 41,000 left in general fund. And less, about 400,000 in one time. What do you have?

>> I have us with that last action for the crossing guard it put our general fund 11,063 into the red. For all intents and purposes, that general fund pot of money we opened up on day one has all been expended.

[07:14:12]

>> Mayor Leffingwell: Okay. Well, I missed something because I had 152,520 on your sheet.

>> I believe it's probably item 154 that we added for councilmember martinez, two offices in city clerk. Half of those funds would get allocated to the general fund and half to our enterprise operations.

Between that 52,000 there and 110,000 for the crossing guards.

>> Mayor Leffingwell: So we're minus what?

>> Minus 11,063.

>> Mayor Leffingwell:63?

>> Dollars, yes.

>> Mayor Leffingwell: Is there any thought to reconsider one of those actions to get us back to let's say a zero budget at least?

>> Martinez: Of what remaining in one-time expenditures?

>> There's nothing left

-- I'm sorry, with the

-- so far council action have added another 562,475. So staff has identified up to 807,000.

>> Mayor Leffingwell: But it's minus 250,000 minus 87,475.

>> [Inaudible]

>> Mayor Leffingwell: So what's the number. 244,525. So that would be the amount left in our critical one-time fund.

>> Mayor Leffingwell: And we're negative in general fund.

>> Tovo: By how much? 11,000?

>> Martinez: Could we convert some of the one-time funds?

[07:16:14]

>> It's a matter of if council is done with their proposals and recommendations. We could work within the context of \$1,000.

>> Mayor Leffingwell: You are going to transfer that 11,000 to one time.

>> Move over to our critical one-time fund and get everything back in balance, yes, sir.

>> Mayor Leffingwell: All right. Where were we? Councilmember martinez.

>> Martinez: I realize this item was cut from structural expenses within the water utility because of savings measures. What I'm going to propose is we use one-time funds to keep the program going through this remaining calendar year and let future councils decide if it's a program they would like to consider and that's the relationship with the colorado river alliance at the rate of \$40,000, which is what the water utility was supporting the program with last year's budget. And that we maintain that relationship at least for one more year.

>> Spelman: What amount?

>> Martinez:40,000.

>> Is this a new item that's not currently on the list?

>> Martinez: That's correct.

>> Mayor Leffingwell: I thought it was on the list.

>> There's a similar item, but it's not

--

>> Mayor Leffingwell: Similar. What is the similar item?

>> Martinez: River watch.

>> Mayor Leffingwell: So this is a different organization?

>> Martinez: Correct. That would be my last item.

>> Mayor Leffingwell: Well, I'll object. Knows in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Passes on a vote of 6-1 with myself voting no. Councilmember

tovo.

>> Tovo: Mayor, I completed mine.

>> Mayor Leffingwell: Pass. Councilmember morrison.

>> Morrison: I have one more that I would like to suggest and that is that we've discussed this before, that we have a reserve in our cable franchise fund. Item number 134. Cable access reserve fund. That can be used for public educational and governmental t.v. Purposes. And aisd also does that and as a one-time thing I would like to propose that we transfer half of that to aisd for use on peg capital equipment. I have been in discussions with them. That half would be \$312,000. And they do, in fact, have a need and understand the need to work this transfer with accountability and record keeping. So that's \$312,000 from the cable access reserve fund to be transferred to aisd for their capital equipment needs.

[07:19:20]

>> Mayor Leffingwell: I thought we discussed that yesterday. Something similar?

>> Morrison: Certainly I brought it up and talked about it.

>> Mayor Leffingwell: And it has no budget impact.

>> Morrison: No, it changes the end balance for that fund.

>> Mayor Leffingwell: But it's in that special fund.

>> Morrison: Yes.

>> Mayor Leffingwell: And I think we discussed also that it's just reallocating the funds because the city of austin owns the cable network and so it's staying in the same place basically. Just in a different pigeon hole. Okay.

>> Are you objecting?

>> Mayor Leffingwell: I have no object.

>> Morrison: That's the second one I got with you.

>> Mayor Leffingwell: No objection to that. Councilmember spelman.

>> Spelman: Mayor, as I mentioned I have no more adds but I have a subtraction I think we ought to consider. We're very close to the end, we have very little money left on the table to spend, but we have a stack of proposals which I think many of us would like to be able to fund if we had more cash available, but we don't. Particularly we started this yesterday with \$20 million of proposals. We weren't all serious about all \$20 million, some of it we wanted to think about longer. But so far we have only been able to fund of the \$20 million we were thinking about beginning of yesterday about 14% of that. Maybe a little bit more with the recent add. 16 or 17%, but the vast majority of the money we were thinking about allocating for general fund purposes we were not able to since we simply don't have it. With that in mind, let me remind you, this will come as no surprise at least to the mayor who has waiting this I suspect the last 24 hours, let me remind us of the police budget. I will not say a lot about this. I'm said a lot in previous years so I don't need to repeat myself, but let me remind you of a couple of things. In previous years we had a long standing policy that the police budget would be -- number of sworn officers in approximate police department would be 2.0 per thousand resident population. I thought this was a bad idea and said so for many years because this would be the only part of our general fund budget which would be tied to an outside metric, not tied to workload, not tied to

improvement in city services, only tied to the population. It struck me as bad policy and bad budget practice. The way we ought to be making budgetary decisions is basis of what the workload is and what the department needs to provide public services. Fortunately the good news is this year nobody has breathed a word of 2.0 per thousand and that the justification as best as I understand it for 59 new sworn officers were adding to the austin police department were as far as it goes based on workload of the police department and citizen need and value to the public. So I've been tempted to for the last few days to declare victory and go home. We're basing our police budget on something that's within shouting distance of public benefit and no longer using 2.0 per thousand. I think that's a great benefit. On the other hand, we have something like \$15 million of things which we would like to fund. We probably don't want to fund all of them and if 16 million were available we probably wouldn't spend it. But there's a lot of really good stuff been dumped on our lap by austin understand school district which are valuable programs which will not happen if we pick up some of the slack. There's still hundreds of thousands of dollars value out there which kids and parents in school district will not be getting because the school district can't afford to fund them and we have not been able to fund them fully. So let me reminder of the justification we have been hearing for the last few months for those additional police officers. I have asked police chief about it, he reminds minds us what he puts out to be a fact that only 11% of the time of the patrol officers is uncommitted right now. Most of the time they are running from one to the next, writing reports, making arrests. Only 11% of the time are they doing patrol, get out of their cars, knock on doors and establish relationships with the community being policed. Because they don't have time for community policing, that sets up a rift or a potential rift between the community and the police officers and sets up another possibility for all sorts of bad things happening. We would like to have our patrol officers have the time for community policing but they don't have it now. Now, I have to mention something I've mentioned before. I just need to reemphasize it. The number of calls for service dispatched is about the same now as it was in 1999, and we have more than 50% more police officers than we did in 1999. So it seems to me the reason why we have 11% uncommitted time is not a resource problem as much as it is employment problem and a management problem. With different management, with different deployment strategy, we probably could pick up all that slack by ourselves. But here we are. We have the number of officers we have, we're managing them the way we have and we don't have uncommitted time. So I'm very sympathetic of the idea of putting more patrol officers on the street. However, of these 59 officers we would be funding under this budget, only 25, 42%, are going into patrol. The rest of them are going into investigations. The biggest winner is organized crime. We have 33, 31 officers going to increasing the size of the orlando crime unit which is drugs and gangs. We have a gang problem, we have a drug problem.

[07:25:32]

[One moment please] # marry have the following proposal. We have 59 officers. In the budget right now. Instead of increasing the number of police officers by 59, we increase the number of officers by only 30. Cutting that increase in the number of officers into about half. It seems to me that would hold patrol constant, we could put all 30 in patrol or a combination in patrol reducing uncommitted time problem and others as necessary in other reactive jobs that we needed to. If we reduce that reduction from 59 to 30, the following happens. Right now we have 1,787 authorized strength in the austin police

department, and according to ryan robinson on july 1 of this year we had 865,504 people living in austin. That's a ratio of 2.065 per thousand population, greater than the 2.5 we've become accustomed to thinking is our policy. If we cut the

-- cut the increase from 59 to 30, we would still have an increase in authorized strength to 1,817 sworn officers and with a next year july 1 estimated population of 885,000, that puts our ratio at 2.05. This would fund an increase over and above policy to which we had previously been committing, not 2.0, but 2.05 per thousand more than the police department would have gotten in the absence of our changing policy to move from a 2.0 to a business planning approach. I'm very comfortable with the business planning approach but seems to me the police department was taking advantage of our good will and moving from our hard and fast 2.0 per thousand to a business planning approach edging up the number of police officers. Seems to me if you look closely at the justification for additional officers to be put into reactive work, the justifications are usually things like we have an increasing workload. Our worked load for service is down. Our workload of property crimes is down for the third year in a row. Workload in violent crimes is down for the third year and workload in simple assaults, frauds, forgeries and other crimes not as serious as a part 1 index crime, that's down too. Seems to me in the time we have reduced workload to have a larger increase in the police department than any other service is inequitable and it takes money away which could be better spent on preventing dropouts, preventing kids from getting involved in stuff which might eventually become criminal, and when we have really good prevention proposals on the table, it seems to me it is a mistake to forego those and instead spend the money on picking up the pieces afterwards. Mayor, my proposal is to reduce the increase in the number of sworn officers and I'm sure ed will want

-- I would like to four votes and I would like you to consider it and tell me where I'm wrong. We would also be able to reduce the number of automobiles necessary to drive those 59 officers around. We would be able to reduce wireless connections and the total is about \$2.6 million. 2.6 million would go a long way to being able to provide preventive services to those kids so they don't get into trouble so we don't ever need to arrest them.

[07:31:25]

>> Mayor Leffingwell: Okay, well, first of all, the 59 officers that are in the current budget was far less than a.P.D.'S assessment of what they actually needed and I want to get the police chief up here to talk about some of the statistics that you cited before we get into any kind of general discussion.

>> He's here. He just stepped up here.

>> Mayor Leffingwell: Because I forget that the needs assessment calls for in the way of additional officers. So we can start off with that number, if you don't mind, and go ahead and address the other statistics or comments made by mr. Spelman with his motion.

>> Brian manly, assistant chief with the austin police department. First of all, in the scenario where we would get the 59 positions we're slated for, the plan is for 46 to go to patrol. What we would be doing is putting one officer on every evening shift and one officer on every night shift. That allows us to increase the officers on the street without increasing the need for supervision.

>> Mayor Leffingwell: What was the number in your needs assessment which was much higher.

>> We were looking for 126 officers. When we put together our needs assessment and councilmember

spelman, that may be some of the information that you have there when you are look at the ebb and flow of officers, we've had different plans. On the plan where we have 59, 46 would go to patrol.

>> Spelman: Mayor, if I may. I heard that, my first reaction was lower the number f 59 to 46 because if we're going to add patrol officers would be to every evening and night shift. My concern is on page 121 of volume 1, looking at the total number of officers assigned to neighborhood policing activity, we have 876 officers currently assigned and the budget calls for 901, an increase of 25 not 46. Explain this.

[07:33:55]

>> According to our budget director, what that is as we move the divisions around this the police department annually, the divisions that are assigned to the different budget headings move as far as the responsibility on that page. So that's not an accurate reflection of what we would actually be doing. The plan is to put 46 on patrol.

>> Spelman: How many officers do we have assigned to patrol activities right now?

>> Look in my book, I may have that in front of me here.

>> Spelman: The budget shows 876, if that helps.

>> I don't have the exact figure. Those are close reflex shun, but I know the numbers you are talking about because we've scud that with our budget direct after and she's told us the way we do our budget tree and we have the different divisions the units are assigned to. When we make organizational changes to structure chart, it affects the numbers reflected in your document there.

>> So there are officers who are doing patrol, answering patrols, doing directed patrols, all the things the parole officers do, but they are not reflected on the patrol activity in the budget.

>> You may have officers assigned to a patrol support unit like a metro tactical unit, a district representative unit such as those units that do take calls for services and depending on the organizational structure where they fall on that chart, that's what impacts those numbers.

[07:35:55]

>> Spelman: So the increase of 46 would be partially in patrol as defined in volume 1 and partially in er patrol support, things like that?

>> No, these would be direct front line patrol officers, one to every patrol shift. We have 18 that would go to night shift and then 28 that would go to evening shift and those are front line patrol positions.

>> Spelman: Okay.

>> Councilmember, those will be officers working black and white, regular patrol operations. We're going to add one to every shift because by doing that we can add the additional personnel time for uncommitted time to deal with the critically short uncommitted time without having to add the additional supervisors. That's the easiest, cleanest way to add those and absorb in current staffing. Without additional costs over the supervisor to officer ratio. We have a critical shortage on uncommit time throughout our department and so by doing those under the shifts arguably the busiest and most serious crimes occurring at night, we're hoping to be able to help relieve that issue of uncommitted time to do two things. One, be more proactive in terms of our patrol and where our community police night get out of the car and say hi to people instead of going call to call.

>> Spelman: I very much appreciate your clarification. You understand why I was confused.

>> Absolutely.

>> Spelman: If people who are answering patrol are not just people in the activity of patrol but also in the activity of followup investigations and apprehension of offenders and propose solving, one needs to add the numbers up, but it wasn't clear what you were getting at.

>> Certainly. One other thing if I may, when you were discussing the 2.0 per thousand calculation, if you will remember back when we went through consolidation ... Along with those positions came those responsibilities. When we do the 2.0 calculation, those officers assigned to airport, parks and marshals are actually backed out of that number because they came to us along with those responsibilities.

[07:38:23]

>> And one of the things I would like to add, councilmember, one of the ongoing discussions is the two per thousand is not what we focus on. It's what level of service we want to deliver to people of the city. Having been here seven years, there are folks when comes to public safety a very demanding and rightfully so. So really the reason we came up with the 126, we have a workload for those 126 officers. I think it's important to note like brian was talking about the fact that the airport, parks and marshals came with their own built-in workload. And since we've taken over the parks, we've actually added some more folks into that function because keeping our parks safe is -- it's really important, it's an important space for this community. It's very heavily used so we've added more individuals to that. So I don't think that the two per thousand, I kind of greed over the years it probably isn't the best barometer, but when you drill down into the ever increasing workload and special events, that we have more than justification for the 59 and need.

>> Spelman: Chief, if I wanted to add 46 patrol officers, right now I see 25 additional officers on patrol, another 15 additional officers in patrol support. Where are the other six dozen?

>> Councilmember, I can't tell you on the forms where they are going to show up. Our plans are put 46 officers on patrol.

>> Spelman: I'm very happy with putting 46 officers on patrol. I'm less happy with the justification provided for the additional detectives, for moving out of centralized investigations and organized crime and so on. As far as I'm concerned, employment is your issue. If you want to give them a different set of responsibilities than they have before, that's your business. But I would like to solve the problem that we've been hearing about for so many years that we don't have enough uncommitted time with our patrol officers. If you believe that one evening, one night shift, 46 more officers is the right way to solve that problem, I'm happy to do that. My concern is it didn't look like that's what you were doing in budget. That's what you are doing, I'm happy for you. I'm not happy with the additional 13 because I don't see the evidence that we have an increasing workload for investigators, we have an increasing workload for gang and drug investigators. And it seems to me if we've been talking about solving a patrol problem for a long time, we ought to solve a patrol problem. We haven't been talking about additional problems.

[07:41:06]

>> That is not our sole problem. That's one of the focuses of the discussion over the years. We have a tremendous workload for investigative units. Our detectives carry a very high caseload. One of the frustrations folks have they are trying to get ahold of the detective and the detective doesn't have time to be giving people updates on their cases because of their work loads are

-- they are pretty

-- they are stacked. They are stacked very high, very deep. So those positions, those remaining positions what we need to do is start reducing the ratio of caseloads to detective and this is consistent with the study that showed we were about 258 officers short that included detectives and other operations outside of

-- of patrol. And so even though the focus has been and the discussion has been driven primarily with uncommitted time, which is a huge challenge, because with uncommitted time

-- if we can increase the uncommitted time, presumably you can also increase the ability to pre-empt and hopefully stop crimes from occurring in the first place. But the other piece of those bodies is really that a tremendous work load that our detectives have, once a crime has occurred, if we don't prevent it because we don't have sufficient people for that interview patrol that's one of the best strategies to prevent, disrupt crime in the first place, we need to have sufficient investigative resources to solve those cases after they occur and that's a huge challenge as well. Just the caseload has been heavy the whole time that I've been here and it's probably getting heavier as we speak.

>> Spelman: I understand that the caseload is high, the caseload is high, of course, in police departments all over the united states. But our caseload problem seems to be resolving itself because our property crime rate has gone down, our violent crime rate has gone down and our park crime rate has gone down. Seems there are fewer or about the same number of crimes to investigate as there were a year ago, two years, three years ago and you have more officers to deal with it.

[07:43:13]

>> You could say our property crime has gone down, but we are a city that prides itself as being the best of the best on all the good lists and one of the how long problems we still have, when it comes to 34 big cities that are cities with 500,000 or more, we're towards the bottom of that list and part of the problem is they

-- the proactive patrol disrupt and prevent and b is the investigative ability to go out and investigate as many cases as possible and that still remains a huge challenge for us. I think if we get those positions to continue to reduce workload for detectives, we have a better fighting chance of being some of these criminals that are really victimizing a lot of austinites and the law of averages being what they are, every time somebody breaks into a home, sooner or later you've got an aggravated assault or a sexual assault or a homicide or something of that nature, that that's what we're hoping to get those other positions for.

>> Spelman: I understand your concerns, you understand my concerns. We're putting more police officers to investigate those crimes. Up until at least the recent proposal to put 46, okay, 46 patrol officers on the street, we had relatively fewer officers assigned to prevention. And very little time available for them to do prevention. It seems to me prevention in the long run is going to be doing us more good and more public benefit associated with the crime ever taking place in the first place than

catching the bad guy.

>> I would agree and the other parts of this, we do a lot of backfill to save year time. We've reduced overtime budget by several million dollars which necessities us taking people away from what they are supposed to be doing, detective work, patrol work, spacial events, and that further exacerbates the workload issue in terms of the uncommitted time. I think it was three or four million dollars over the years we've reduced our overtime budget so we rely more on front line folks when we get calls detectives are going to be away from the office for, you know, three days, four days, a week to work on the patrol back shift, the backfills, it just is a circular challenge. So we're just hopeful what with these positions we'll be able to mitigate that and not have to rely as heavily especially because of the reduction in the over time dollars on backfills to so our detectives can focus on the workload. That's something our city continues to agree. Seems like special events continue to grow in our city and a lot of it we have to use regular time and be creative in the way we deploy these resources so we're hopeful those 59 position are supported not just by the evidence we provided in this budget but also by an independent review of the department's operations in 2000 and whatever years seem to be flying by. I don't remember what year, three or four years ago and we still haven't addressed that shortage.

[07:46:32]

>> Mayor Leffingwell: Let me just formalize my objection to the proposal and say I appreciate the effort that councilmember spelman has put into this. I know he's the recognized expert in these matters. But I also recognize the chief acevedo is an expert in these matters and his senior staff are also experts in these matters and the study that we spent \$100,000 for just a couple years ago, their experts too, and they come up with different numbers. And so in view of the fact that for me public safety is our highest priority, I would even go so far as to say it's our sacred duty to make sure that it's our highest priority and that the people in our city are safe. In their homes and on the streets, in their neighborhood. So given the fact that even with the 59 additional officers, two expert source, chief acevedo and his staff in the first study said we need more than that. I think we're already below what we need and I will not support going lower than what's in the budget right now.

>> Spelman: I'd like to revise my proposal on the basis of the conversation we just had.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: If the proposal is put 46 officers in patrol and not the 25 that it shows on page 123, if patrol is more than just patrol activity, and we actually are talking about putting 46 on patrol, which I think very very much can use, the new proposal would be to reduce the increase in the police department from 59 to 46, I would be a reduction from the proposed number of 13 officers. The effect of that, if we were to do it, would be to still increase the number of officers per thousand even after you drop out parks police and aviation police, the number of sworn officers as we have usually defined it per thousand would still go up. Those officers would be in patrol, not in investigations, and that would save us 1 point

-- according to my calculation and I'll defer to ed, but I think it would be about \$1.3 million. 1,298,247 when we backed out a few cars and wireless connections. Mayor, my proposal is make it 46 not 59 and save \$1.3 million.

[07:49:12]

>> Mayor Leffingwell: And I will object to that also and reiterate that we're really not talking about 59 being the ideal number. That's not what we think we need. We think we need 120 some odd additional people and some people think we need 200 some odd. So I think that anything below what our police department considers to be based not on some kind of ratio, and, you know, I thought we weren't talking about ratios anymore, but

-- this is not based on a ratio. This is based on a needs assessment so I will not support anything less than the requested minimum amount of 59 additional officers. So I object. Is there any other comment? Councilmember tovo.

>> Tovo: I have a few questions for chief acevedo. Apologies if I missed you talking about this particularly, but can you address actually your answer to the question I had presented through the budget process of 133? And this is the one that talked about where the officers are going to be dispersed to cross the city and you addressed that to comments to councilmember spelman and the mayor, but members of the community have asked and it's a valid question, there are some areas of town that have higher levels of crime. Why is the distribution of the officers

-- of the new officers equal across each of the districts, each of the command with regard

-- with the exception of downtown, downtown gets more, but the other areas receive an equal number rather than targeting those officers to the areas with the highest crime.

>> What we do on an annual basis is we look at our calls for service across the city. And biannually we adjust the borders of the sector. We're undergoing that right now. January 1st we're actually shifting some of the borders of some of our command areas to even out the calls for service. So that way the calls that do have more

-- neighborhoods that have more calls for service resulting in geographical areas we're distributing those that way. So we do it by allocation of personnel, but then we also do it by reallocation of the regions. So to address the issue you are bringing up, yes, we're distributing the officers evenly one per shift geographically evening and night. We're also redistributing the layout of the different patrol sectors that we have set up through the city to accommodate for that.

[07:51:54]

>> Tovo: So in other words, you redraw the boundaries of command so that each command has the same number of personnel and the same relatively same call volume.

>> Yes.

>> Tovo: When did you say you are doing that?

>> We just signed off the plan two weeks ago so what now has to happen our data analysis folks have to get that built into the system so that for reporting purposes they are assigned to the right sectors. The new plan will go into effect january 1.

>> Tovo: Thank you. And then in another question, it talked about the department of defense equipment that you've received and I was interested to see that a helicopter was among, not particularly germane to the discussion today except I did see the number of air officers increase six to nine. When did you get the helicopter?

>> We've had that quite a few years. It's a 1969 vietnam era. What we're doing is with the new b-3 aircraft, the fire fighting aircraft, multiple capabilities, we want to have more pilots trained up so we can have more coverage. One of the things we're doing with our operations unit is that we are going to have the pilots on station, but they will be launch ready so they can launch within five minutes. We don't have sufficient number of aircraft like a lot of major cities where we always have one aircraft in the air for when a pursuit or other emergency hits. We're increasing that staff and be able to have launch capabilities and they will be on alert and able to launch in five minutes. Because data shows there's a greater need friday or saturday night in the evening and early morning hours.

>> Tovo: Okay. Thanks. Back to the first question I posed, as those commands adjust, I wonder if there's a good way for you to communicate that information to the council. I think it would be interesting, you know, for the council to be able to communicate to the public where the boundary lines are and the comparative crime rate in each of these sections.

[07:54:13]

>> All of our crime information is lorn union. It's pretty easy to find. What we do typically when we are going to change the boundaries based on data is make sure we have a balance of workload and staffing for all nine patrol sectors, we will prepare a memo to the city manager and it should be coming out in the next couple of weeks, prepare him for the change and also inform you. Then we use our commanders forms and our neighborhood council lists to send out the information to everybody to give them new updates if there's any change of br or anything of that nature. That should be coming in the next two to three weeks.

>> Tovo: Thanks.

>> Mayor Leffingwell: City manager.

>> Chief, not to start anything, but did I hear you refer to the new helicopter as a fire fighting aircraft? Did I hear you say that?

>> Yes. And in honor of the fire department, it has a red primer underneath the black and white paint scheme.

>> [Inaudible].

>> We did. It's a primer. [Laughter] it's a really nice primer. We left a little spot if you look closely underneath the 7. But in all seriousness, one of the things you talked about when you all were considering this aircraft is its multi mission capability. This is the only aircraft the city of austin has with that fire fighting capability that's completely in our control and we've already been on three or four fire fighting missions and done quite a few drops and I think that's something we can be proud of and I believe we're going to save homes with that capability.

>> Mayor Leffingwell: Multipurpose helicopter.

>> Yes, sir.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: So chief, I think someone mentioned, are we adding three more personnel to fly, three MORE

-- THREE NEW FTEs FOR The helicopter?

[07:56:16]

>> I believe that the total is three. I don't recall off the top of my head. THE THREE FTEs ARE GOING To that opportunity. Unit.

>> Morrison: They are not part of your 59?

>> That's just internal redistribution of resources.

>> Morrison: So you are taking three away from another unit?

>> We'll be using three, yes, ma'am.

>> Morrison: Just to get clear because I know there's been discussion. Npr had a story on nationally the transfer of weapons from the military to local law enforcement. You said that the helicopter that we got from them is a 1969 vietnam era?

>> Yes, that's the oh-58. It's a great platform for a visual plat to see what's going on, but in terms of mission capability, fire fighting, e.M.S., Things of that nature, it's

-- it's not a very good

--

>> Mayor Leffingwell: Main wing static display.

>> Yeah. When people see the green helicopter, people think it's the military. It's actually us.

>> Morrison: Maybe you should paint it red.

>> It's got a red primer to.

>> Morrison: But I did see in one-time funds

-- you are welcome, chief. I did see in one-time funds that we were buying night goggles for the pilot so is that to replace old ones or they are just getting eye goggles?

>> We've had goggles, hand me downs from the military, but they are not as good and effective and when you are flying out at night, we want to be able to fly our folks in very low light. Low night capability so those goggles instead of getting sometimes things where we have to get 50 to be able to put two together, tear them apart and find all the working parts, we're going to invest in getting them state-of-the-art goggles. Night flying is a challenge especially in this area where we have a lot of hills and towers. We want to make sure from an occupational safety and public safety standpoint we equip them with the best equipment available for night flying.

[07:58:35]

>> Morrison: Then I have a question for councilmember spelman. Do you have the numbers on hand now in a consistent way to give us the ratio that the chief is no longer using of

-- I don't know whether we're including our arrow-airport and parks police or we're not including them and when we were looking at the 2.0 before when it was an absolute we cannot go below, I don't know if we were including them or not, but I'm looking for some comparative numbers where we are now with our f.Y.14 budget, what the proposed number is and what the

-- with the 59 and what it would be at 46.

>> Spelman: I do not have the airport and parks numbers, but I do have the total sworn, which is 1787. And the total population. If we

-- there is some number for airport and parks which would be reduced from that, we were going to do it

the chief's way which would get us presumable to 1.99 or 2.00. Presumably where we are right now.
[One moment, please, for change in captioners]

[08:03:42]

>> are we having to meet new training standards or is there something that
-- that to me seems like a lot when you talk about the training department and a class of 59.
>> Well, here's the challenge. Just in today's new york times you've got bill talking about wanting to increase training for the new york city police department and he is asking for a thousand officers. I just want to say we're asking for a few. We've talked about this before. Which do not have the ability to taken units off line. That's how they're going to be deployed and one of the things they're trying to do is trying to increase the training so we can take shifts off line and actually train them in critical areas such as use of force tactics. You know, crowd management. One of the things a lot of folks don't know about is the only police department in texas I'm aware of is in 2007, when we first got here as an administration, we were required to go to the range once per year. This was basically to qualify. We have made a commitment because use of force is a critical issue. It is an emotional issue, and with the support of the city manager we actually train on a monthly basis. We have people, officers, every warn member and chiefs go to the range. We do force on force training, which means we use missions, live fire, and that is something that is an absolute necessity, and so we have to do more training and I think we have to train smarter because a unit that trains together is going to be a little bit more cohesive and they will be a lot more effective and efficient in terms of a dynamic type of situation. We're trying to achieve the ability to train units as squads. We talk about resources, we're never fully staffed. We lose five officers a month and one thing we talked about in the earlier budget meeting would be in a perfect world would be to have not just two per thousand or not just the men mum staffing,
-- minimum staffing as the mayor likes to talk about but to have the sufficient staffing to absorb and never go down. Right now, we can't go to work investigations because we can't afford to remove people from the front lines because of that uncommitted time on the call logs, so that's the other piece we haven't talked about in this session is a reminder that is a challenge, as well.

[08:06:41]

>> You're trying to beef up in train, you have been over the last years so, you can take entire units off line and put them in live scenarios. You would take your officers and put them on patrol for a few hours while that training is being conducted?

>> No you would have what is called relief shifts. Like the five department has with other stations, you would have a relief shift that would go out and take a patrol shift for three days, for example, and that team would come off line and we're lacking for having enough training to move shifts off line and actually do extensive training for three days out of the year or whatever we come up with.

>> So, we talk about the performance measures of the police department as it relates to property crimes and violent crimes, but the one measurement also that is in the dashboard is response times. And I've seen

-- I see the response times have dropped. Or at least are projected to drop to 7-point

-- seven minutes and 43 seconds. And, that's down from six 45 in 2011, or 7:19 in 2012.

>> The goal is 7:30.

>> When you look at response times, do you drill down into THE DATA AND APPLY NEW FTEs Where that can have a measurable effect if you're not meeting that benchmark it sounds like your proposal to put one uniformed officer equally throughout the city, but if we're trying to meet the dashboard measurements, how do you do that?

>> One thing do we with that reassessment, the chief was talking about in terms of the annual and bi-annual moving of resources is we look at response time based on uniform members not in that area but we look at the nature of the call. One response next week I asked our division is the hot shots, crime is in progress, violent crimes in progress require additional units that usually ends up being calls that take a lot longer to mitigate because it is a serious crime, so we look at the 46, that is our initial plan, but between now and the 18 months is what it takes to actually hire these folks, train them and get them on patrol, there is going to be a lot of rainy days between now and then. Although our initial plan is to do what we're talking about shall we will be crunching a the lot more data and that may change. One of the things I always talk to folks about is you can't just look at what we have on patrol, even though that someone of the things we do. You also have to look at specialized units. Metro that do the street crimes, they're moving all over the city all the time based on intelligence, based on data. When you think about what resources I have working in my neighborhood, you can't just look at patrol but look at everything else and lot of those patrol assets are working front line but though don't come up on the pie sheet in the patrol area. So, it will all be very much data driven. The last piece with our new business intelligence tool that the city is in the process of developing, we are going to be able to, council members, to move resources and make adjustments in the next, I would say the next 12 months. We're going to be able to make them in the 24-hour period because we're going to have a dashboard on our desk top that the commander, the chief, the bureau chief, the tackle lieutenant, the sergeant can look at what is going on in my sphere of influence and how I do adjust, based on 24 hours worth of data is an adjustment I need to make. You will see much more, I believe, nimble police department that is going to be able to move things around lot more frequently and lot more

-- a lot neurofluidity to the

-- a lot more flew wit I had to the way we deploy

-- fluidity to the way we deploy.

[08:10:51]

>> I'm going to ask this and people think I'm kidding but I'm not, you're adding more officers in the downtown centralized ware and a few more in night shifts and day shifts throughout the city. Would you say you now have enough officers on patrol to open our trails to bicyclists 24 hours a day without having to add any more officers? I think it is an important question for me.

>> I don't think I'm prepared to answer that question. I would still be hesitant to say yes at this point, until we were able to look more at the data. Never have it open to pedestrians 24/7. I don't feel comfortable in having people on the trail and not having the resources to deploy. I think one of the things we talked about was increasing at least to midnight because we already have the park folks out, so I'm not

-- I don't think I'm prepared to answer that in an intelligent manner, but I would say that I would eventually guess I don't think we're prepared right now.

>> And that is fine, but I had to ask a question, but I think you should be prepared for the conversation because I don't think it is a complete conversation and I certainly respect your discomfort with having folks on the trail without dedicated patrols, but as we cited during the previous discussion on this issue, we have cities all over the country that have trails open to cyclists 24/7 without dedicated patrols and I think that is an unresolved policy issue I continue to work with you to see if we can find a reasonable compromise where we can provide that alternative transportation solutions to a lot of our service-industry employees that cycle in and out of downtown.

>> And not just policing, there is a tech logical approach we can use in terms of camera systems. A lot of ways we can honor safety in combination of both, rely more on technology and less on boots on the ground. Having it said that, you want people close enough to respond in a quick manner. I look forward to that discussion moving forward.

[08:12:57]

>> Mayor? >>Mayor leffingwell: Council member riley. >>Riley: When you say you need to look at some data on the night time trail issues, what data are you referring to?

>> We haven't really looked that the, council member, since the last time we were discussing it be, so I would want to look at

-- I know we put up a lot more of the traffic counters, those are put up in a lot more locations so I would want a fresh look at what is going on on the trails, talk to our folks in terms of what is going on in terms of crime and some of those challenges and come back and give you an update on what we're seeing.

>> Are you saying if you saw more activity on the trail at night, then a would lead you to consider opening the trails?

>> No, I'm just saying that is something we have to look at to be part of the discussion.

>> Okay. Thanks.

>> Mayor? >>Mayor leffingwell: Mayor pro tem. I would suggest we not get into this these in depth policy discussions that would be best heard at regular council meeting and a staff-produced item or an item from council. We're trying to get through a budget discussion today and it is 2:15 and we're still on item one. Mayor pro tem. >>Cole: Specifically we lated to the budget in council member spelman's proposal and the report you try to base things on, what does the perf report say or how does it guide you in your request for 59 officers?

>> Well, the 59 officers, last year we asked for a total of 92. We asked for 47 then 45 to actually start implementing the recommendations in terms of the total staffing. This 59 does not country any from the perf study so it doesn't impact or address that.

[08:15:02]

>> If I may, one thing the report did for us, when they analyzed our calls for service, they were able to tell us when our peak call loads occurred, they were able to tell us when our carload demand exceeded the available officers on the street. When we looked at where our greatest need was for our officers, we

saw the evenings and night shifts, which one would believe would be the case, but that validated it, that would be the appropriate places to have the greatest impact of putting officers on patrol. Shot report guided news that aspect of understanding the peak call load times and locations. >>Cole: I was trying to understand the basis positive your number and how that connected to the report and I think you just answered that.

>> Mayor, a brief comment. >>Mayor leffingwell: Council member spelman. >>Spelman: The line item hides the allocations of resources but a budget shows where it will go and what you're expecting to get out of them. I've gone through one version or another of the city's program budget since 1998 and I know it pretty well at this point. Even if you include all the officers assigned to patrol, and all those eye signed to metro

-- assigned to metro, technical, airport, representatives intel, real time crime center, lake and park patrol, special events, community partnerships, I can't find 46. If you all would be willing to do me a favor and do, more important, the next council a favor, and work with the budget people in the police department to be sure that 46 is going to show up fairly loud and clear to the next council or whatever the increase in the patrol staff is going to be, will show up fairly clearly to the next council, whatever it is you need to do to make this document as transparent as possible, I would very much appreciate it. I still can't add up to 46. I know they're in there some place, and I'll check with the chiefs and figure out exactly where they are, so maybe I can provide a little note on my desk for the next person to occupy my seat to know how to look for it. If there is a way of making this as transparent as possible in the very complicated allocations of resources in the division of the police department, I would very much appreciate that. >>Mayor leffingwell: Maybe they will hire you as consultant for next year's budget. >>Spelman: Over nigh my dead body.

[08:17:36]

[Laughter] >>mayor leffingwell: So we have, I believe, the motion on the table after all this discussion is to reduce the number of officers from 59 to 46?

>> Correct. >>Mayor leffingwell: Those in

-- council member riley. >>Riley: Just one last question, to be clear, when we look at the mission and goals the department has for fy-2015, I see various things that aren't necessarily related to the number of officers on patrol. Could you tell me, we're just thinking about that delta between 46 and 59, the 13 officers who won't be on patrol, which of the goals for the coming year would those 13 officers be directed towards? We want to provide those officers to aim towards some particular goal. Help me understand as to which goal they're aimed at?

>> Council member riley, what I would say is at this point we're 18 months from having those positions. Those 13 positions could end up on po travel with the other 36 if we made the decision 18 months from now we realized that is the greatest need. One of the challenges we talked about at this time in the area of council is with the property crimes. If we had the opportunity to look at that as an issue 18 months from now, still being where it is now as a priority, we may choose to make that recommendation as to where to put those bodies.

>> I would just like to add one other things, too, council member forecast I may. There is a cost to crime. Not just an emotional crime, or the cost of how people feel about their city, but it is tremendous, and

this is published, this is a cost to every crime that occurred. One homicide, one traffic fatality. There is a direct correlation between police activity, police presence, police visibility and bad outcomes. We've proven in the past when we put resources to bear on any problem, no matter what the issue is, we can impact it. So if we lose those 13 officers, that is 13 officers we can't use to work on the dwi problem where we're having 25% of our fatalities on sunday nights and we put together a dwi shift. We didn't have a dwi team for 11 weeks in the summer, peak for dwi crashes, went from the peak 256 to zero. Our -- 25 to zero. Our using police officers in downtown, with 60-odd percent increase in violent crime, and we put together an initiative and reduced violent crime tremendously. We lose those 13 positions, it is 13 fewer positions we have to impact safety.

[08:20:30]

>> Okay. So I hear you saying we don't necessarily know exactly where they will wind up. It is going to be 18 months down the road, we just need those positions to respond to the needs we have at this time.

>> We need those positions today. If I could snap my fingers, I could put them to work. We have the workload. If you think about the thousands of burglaries in this city that occur every year, if you can prevent just 5% of those burglaries, what is the economic toll? What is the positive toll? So we do need the positions and we're hopeful we will keep them.

>> Fully understand. Thanks. Mayor?

>> What? [Laughter]

>> I just wanted to clarify the motion on the table. Staff has run the numbers, if council were to approve it it would lower off operating budget and critical one time fund by 37thousand \$109 for a total reduction of \$1,199,000. >>Mayor leffingwell: Thank you. Those in favor of the motion, raise your hand. Those opposed? Likewise. The motion fails on a vote of 2-5 with council member riley and martinez, council member tovo and myself voting no. I believe that brings us to the end of our discussion on council amendments, if there are no more, then we can go to

-- we have one possible staff amendment.

>> There was one amendment, I may remember, at one point we had our general fund out of balance by \$11,063. We suggest we had could find something in the general fund operating budget to move to our critical one-time fund there was never a motion or action taken by council to that so staff would w request a motion to move one-time purchases from the general fund to the critical one-time fund in the amount of \$11,063 and we would be in balance on our general fund. >>Mayor leffingwell: So moved. Is there any objection? Okay. Without objection. That's passed. Council

-- are you objecting? >>Morrison: No. >>Mayor leffingwell: Okay. Council member morrison?

>>Morrison: I want to throw one more item on the table. We all heard, I believe directly from our chief appraiser suggesting in an increase in our funding to the appraisal district and I think they asked for something on the order of \$400,000. I believe that the county actually approved that request. And, do you remember what was requested?

[08:23:22]

>> I have it, it is about \$420,000 more that they wanted from the city that would allow them to address

a lot of the concerns they've heard from the city council and from the other elected officials in regards to the fairness of the appraisal process, particularly in regards to commercial properties, allow them some funds to hire additional outside legal consultants to actually defend some of their commercial appraisals, hire additional appraisal staff, funding and training. We reviewed that with the counter parts at the county and school district, certainly something that staff feels is appropriate in light of what we have heard from our city council. When we put the budget together, we put in an estimate what the increase is going to be so we had an increase in there already a little higher than what the base was going to be, so we found ourselves about \$200,000 short of what her request is going to be, but we believe we found, within our, you know, within the budget where we pay for the funds, we think we're good right now. We would have brought it forward for the staff request of additional funds but the budget is on the table buffer has sufficient funds in it to fund the request from tcad. >>Morrison: It does. Does it include the \$400,000?

>> It does. >>Morrison: I wanted to make sure that was there n there because I felt like since we were asking her to do more work, we should think about that. So it is covered?

>> It is covered. >>Morrison: Thank you.

>> It was also supported by the other boards and, as you mentioned, the county. >>Mayor leffingwell: Any other?

>> Our living wage is set at \$11 an hour since 2008. We asked staff to help us create an index for living wage moving forward. They've come forward with that recommendation, applying that index to this year's budget would increase the living wage from \$11 to \$11.39. Because we have a 3.5% pay increase proposed, should the budget be adopted, it would have a zero fiscal impact to increase our living wage to \$11.39 an hour. What it would do, though, it would tie the index to that 11.39 so each and every year the cost of living index would be applied to the \$11.39 and be adjusted accordingly as council adopt as budget each year.

[08:26:02]

>> I think there was two indexes at hrd looked at. One was to tie the increase a cost of living, which this year was 2%. The other suggestion was to tie it to whatever wage increase the civilian employees received, which this year was 3.5% so maybe some clarity in your motion that moving ahead the intend back to tie that increase to a cost of living or to the same level of wage increase.

>> Which ever is higher.

>> That was the

-- typically, at least in recent years certainly, the civilian employees wage increase is slightly higher than the cost of living adjustment.

>> So this has no budget impact now or in future years?

>> This would only apply to permanent employees and every permanent employee in the city usually makes more than 11.39 so certainly no impact in fiscal year 15.

>> Shot affect of it would be just to say our official living wage is.

>> Is \$11.39 opposed to \$11 per hour it would be no fiscal impact in this current year there could be in future years as it continues to ratchet up. >>Mayor leffingwell: Council member morrison. >>Morrison: You could explain, though, the motion is which ever is higher, and it is either, what is it, the cost of living

or the wage increase? Is that what you heard? I did hear it correctly? Does that mean the index, to which ever is higher. Does that mean that we could get into a situation where someone is hired and they, let's just say it is \$11 an hour, someone is hired at \$11 an hour that year there is no cost -- there is no wage increase, but there is a cost of living increase so the minimum wage for the next year becomes \$11.05 and we have a left some people behind at \$11.

>> I think that could occur. I know the way hrd was envisioning it was, here is two alternatives you consider. One would be to tie it to the local area cpi, what we use as a proxy for cost of living or tie it to the same wage increase as our civilian employees receive. I think what you're just describing would be which ever one is higher in the given year which could result in

-- >>Morrison: Which is the motion on the table, I believe.

[08:28:28]

>> It is. >>Morrison: That makes me a little uncomfortable and I wonder if, perhaps, mr. Washington has any comment on that and if there is a way we can work with that.

>> Mark Washington, human resources director. The most manageable way would be to tie it to whatever the general wage increase would be nor the workforce so that we would ensure the floor of the pay ski scale moves with all the ranges of the other jobs.

>> Have we ever

-- have we, just a quick question, have we ever had a wage increase lower than the cost of living? In your experience here?

>> Since I've been here, I think we tied it close to the cpi, the cost of living increase last year of 1.5%. I think the cpe was around that amount.

>> Mayor.

>> And, we did have a year which we did not have a wage increase, but I think in that year it was deflation instead of inflation.

>> We currently have contracts at 1% a year. If this year is 2%, we clearly have pay increase below the cost of live, index that we used. I'm happy to tie it to the wage increase. Each and every council will have the ability to look at the cost of living and compare it to any potential wage increase and change policy or omit it for that year, if they will. So amending the motion to it being tied strictly to the wage increase is fine. I just want other councils moving forward to always have this review of what our living wage is and how it impacted our workforce. The other component of adopting it today is that anyone that is hired between now and october 1st, BEFORE THE BUDGET GOES Into effect is under this new policy of \$11.39 an hour because it is our living wage policy.

[08:30:31]

>> I appreciate your bringing this forward. Council member, martinez. It reminds me it is a little bit like our senior and people with disabilities exemption, it is that one place for 0 years or something and it is just a matter of making sure council at least thinking about something every year and they have complete control over it. >>Mayor leffingwell: Is hi there any objection to

-- go ahead.

>> I would like to make a small addition. On an annual basis, the cost of living increase we're giving to employees is a reasonable way to do it on a short-term basis, but every few years we can veer away from the true living wage so, if we would commit ourselves to every five years, for example, actually doing the kind of work we did the first time to come up with \$11 as being our living wage, every five years we true it up, higher or lower than the annual adjustments have added up to over the course of that five-year period we will be able to keep up with the fact that housing is increasing with the cost of living, gasoline may be increasing faster than the cost of living and so on. That is another thing we can do in the future and commit ourselves to doing that we will probably be closer to the right living wage over time. >>Mayor leffingwell: So, is that accepted? Somewhat modified motion, I guess, by council member martinez that has no budget effect is there any objection to that? So that's adopted.

>> One last item, mayor. >>Mayor leffingwell: Go ahead.

>> We wanted to ask, we know this year as budget is contemplated with a 1% increase for firefighters that have gone without pay increases, two out of the last three years, I believe do we have the legal authority, I see anthony running out to get the attorneys because this is a legal question that probably devon or someone like to would have to answer. Does this council retain the legal authority to guy head and implement the budget as proposed with the 1% increase for firefighters, regardless of the outcome of any successful or non-successful negotiating agreement?

[08:32:53]

>> In the budget, I believe, it is just not paid. But it is in there should an agreement be reached.

>> And we know that a tentative agreement is pending with a vote of the membership, but would they have the authority to implement the pay increase, regardless of that outcome.

>> City attorney.

>> I don't believe there is anything in the law or chart they're would prohibit that. >>Martinez: You how would that

--

>> you voted on it in the budget. That is the only state requirement, to expend funds, they have to be budgeted for.

>> I don't know what the legal answer is to that, but I would have great concern about the implications for the integrity of the bargaining process in the negotiations we go through, not only with the favors but we have a couple of other bargaining units paying attention to this who, you know, from a compensation standpoint, are getting what they're getting because what have was successfully negotiated at the table. I just think that a move like that really, I think it compromised the integrity of the negotiation process.

>> I would say, as much as I would like to do something like that, I couldn't agree more with the bargaining process on going, just to, for the council to reach in and interfere with that bargaining process is something I could not support.

>> And, I wouldn't propose that today, mayor. Obviously, I want to see the outcome of the tentative agreement vote, but I just wanted to get on the record what our abilities would be after that vote, should it not be adopted by the firefighters association.

>> Okay. Council member, that is on the record. But, there's no action taken on that discussion.

[08:34:58]

>> Not at this time. >>Mayor leffingwell: Not at this time. So I think we're at the point where we've got everything cleaned up. >>Tovo: I have a question. >>Mayor leffingwell: Council member tovo. >>Tovo: I would like to talk about

-- is this the rate time? >>Mayor leffingwell: No. >>Tovo: Okay. >>Mayor leffingwell: Let me just say it is good to get to the end of item one. I'm grateful for small things. And I think the budget process could have been a lot worse. But I think we could have done a lot better. So what we wound up doing here was add, depending on how you figure it, but at least \$7 million were added to the budget through the council action here today, money that could have been used to reduce the property tax. So, I do not plan to support this budget, but with that comment, I will ask the city clerk to call the roll. [Roll call]

>>mayor leffingwell: That passes and 0 vote of 6-1 with myself voting no.

>>> Number two is there a staff presentation on that in.

>> No, mayor, there is no staff recommendations to the budget. We do, however, have nine items from council for capital bunk amendments. Those can also be found under tab two of your budget binder. I'm sorry, tab b of your budget binder, item number two. >>Mayor leffingwell: So, before we get into this part of this, we need a motion on the table to adopt the capital budget. Council member morrison, so moves. Second by council member spelman. And, we're now ready to discuss other capital budget additions and/or reductions from the council. We will go through these items one at a time, and if we use our same process of objection and then vote, if there is an objection.

[08:37:56]

>> I think it may help the conversation a little bit if I were to set the stage in regards to some of the funding discussion for these items. It is obviously a large dollar amount associated with some of these capital item. >>Mayor leffingwell: How long is this going to take you?

>> Less than 60 seconds.

>> I was hoping it would be about three minutes. [Laughter] guygo ahead.

>> First of all, item 2.2 was related to sobriety center. We won't take action on that today as the staff is still working on the cost associated with it. Item 2.1 related to hyde park plaza, if it were approved, we would be asking our public works department to come up and talk about how they mate reprioritize and look at existing capital funds in order to fund that in a similar fashion, item 2.8 on that list is about various options for city wide flood protection and preparedness. This would be similar that our watershed department would be prepared to talk to you about options in regards to reallocating the existing cash, cip funds or phasing this project in over time to not overly negatively impact the other plans for the cip funds. Ideas 2.3 to 2.7 are all item if council moves forward with, the only funding options would be to issue certificates of obligation for the various amounts. >>Mayor leffingwell: This sheet doesn't have the numbers on them.

>> I'm referring to tab b of your budget binders, item number two.

>> Ever since you rearranged our binders, I couldn't find anything.

>> I know.

>> Some clarification.

>> I'm going to slow you down and let you find. It neighbor will take three minutes, mayor. If you go to the blue tab of your budget binders. The same tab we have a been on the last day and a half. We're still on that tab, I'm sorry to say. Attachment b, tab b of that budget binder. We just worked our way through 50-some operating amendments and we're now down item two, the capital budget amendments. >>Mayor leffingwell: Okay, I've got it now.

[08:40:27]

>> Bridge care. Mine says bridge childcare voucher program. Mare okay so council member riley is -- our only consideration here is 2.3 through 2.7, plus 2.9? Okay. All right. Let's start with council member riley. Do you have v any -- do you want to propose? >>Riley: I do not, mayor. >>Mayor leffingwell: Council member martinez. >>Martinez: As we've been talking about in the budget, we have a \$78 million different guess it is not a question, a \$78 million capital cost item to complete the floodplain buyout in the 25 and you 100-year, 25-year for will jamson creek, 100 year for onion creek. I would propose we buyout for the 25-year floodplain and the 100-year but I have questions as it relates to william creek and the buyout process. I will make that motion. >>Mayor leffingwell: I'll object, just to get that on the table. >>Martinez: Thank you, mayor. I'm not sure who is doing the buyouts, but we've recently started getting some questions from some of the folks in williamson creek who are significantly less impacted by flooding than those in the 100-year lower onion creek area. If we approve these funds, for the 25-year williamson creek potential buy outs, is it a requirement they accept a buy out if it is offered? Or can we make it optional, since it is the use of city funds and not a federal program?

[08:42:51]

>> We will have to spend some time and create another different voluntary-type buyout program. >>Martinez: So I would move that we continue with this item but we create that option for the williamson creek buyout so many of those residents that are in the 25-year floodplain aren't impacted by flooding and simply don't want to be bought out so I think we should give them that option. If we can't create that option, I would like to carve out williamson creek all together and deal with that separately, if that makes it cleaner for staff. >>Mayor leffingwell: Are you waiting for an answer? >>Martinez: It sounds like she could create an option. She said they would have to do some work and it would lessen the impact on the debt if folks didn't takes option of the buyout. >> A buyout program would include a lot of different parameters that we would have to consider. Such as whether we want the whole area to be bought out. So that we can reduce the city service to that whole area, and we also had to consider at rescue times the danger, our rescue personnel. So there are a lot of parameters to consider. It also depends on where the rain falls so that certain properties will get damages or not. >> I understand that as it related to onion creek and I'm not suggesting any modify cases currently, but referring to the williamson creek 25-year flood plan. I want to make sure they have the option to enter the buyout program or not and not face condemnation or not.

[08:44:56]

>> Whether they will have an option or not, it really would be a policy question that the council can decide. >>Martinez: Then a that is my motion, they be given that option. >>Mayor leffingwell: Okay. I object and there is a couple of reasons. I requested this information and thanks to the watershed for providing it. We're talking about 100-year water plain prompts and I believe they say this is outside the corps of engineers city of austin buyout program area. It is in addition to that. Is that correct?

>> That is correct. >>Mayor leffingwell: If we're going to establish a policy and precedent for buying out floodplain properties in the city of austin, we're looking at a huge, huge financial commitment. In fact, according to watershed protection, within the city limits there 5,220 buildings, it is considered a building if it is bigger than 400 square feet, that are in the 100-year floodplain about. 2500 of those buildings have interior areas that are below the floodplain level, which means they are subject to interior flooding. If we're going to establish that as a press don't, I don't know how in the world we're going to tell people, say in shoal creek or waller creek's 100-year floodplain, we're not going to buy you out, we're going to buy this other person out. So I've heard people say here recently, well, our 100-year floodplain, essentially, our 100 year floodplain is worse than yours. That's just a contradiction. I mean, the definition of a 100-year, being in the 100 year floodplain means you're in an area where there is, you know, once in a hundred years you're going to be flooded. Once in a hundred years or any one year, I guess you should say, correct me if I'm wrong, council member spelman, any your he have a 1% chance of

-- any year you have a 1% chance of being flooded. There is no difference. That is how the floodplain was established. All these prompts have exactly the same probability of flooding in the future. That's how it is defined. So I don't want to set that presence dent.

[08:47:38]

-- That precedent. We had ther is mean a couple weeks ago and to go ahead with that established an implied commitment from the city of austin that I'm unprepared to

-- but, above and beyond that, this is money you're talking about borrowing without voter approval. Normally with a big package like this, it would be a g.O. Bond, here is our proposal to do this, but we're asking for your permission because you're going to have to pay for it through your property taxes. And I don't think that's right either. This council had the opportunity, mayor pro tem cole called a special meeting to give you the opportunity to put this item up in november before the voters and let them decide, and this council decided and I believe mayor pro tem cole was the only one to dissent not to do that, not to put it on the ballot. I think if you were going to do it, that's the way it should have been done. I'm not saying I would have been for it in any event, but it certainly should have been done given the opportunity to have voters approve this. So, I heard someone say, and I was a little bit shocking to me, this decision is too important to pit before the voters. I have a hard time relating to that statement so I'm not going to be able to support is this item. >>Cole: Mayor. >>Mayor leffingwell: Mayor pro tem. >>Cole: I certainly did call a meeting and we had a discussion about putting this item before the voters and that is what I wanted to do. You brought up an issue with probability of the 100-year floodplain and

I want to ask victoria about that. How has the onion creek area flooded more in the past 10, 15 years in other sections of the city.

[08:49:51]

>> Yes. >>Cole: I thought I read somewhere it flooded like four times compared to other sections of the city.

>> That's correct.

>> Is that correct?

>> That's correct. Mayor, I agreed with you in terms of the responsibility and all of the properties that we have in the floodplain and wanting to set a consistent precedent, and that information really changed my mind because it meant that the people who were saying, we flood more, they're right. For whatever reason, they do flood more. And, I wanted to send this to the voters for transparency reasons but since my colleagues have not had the will to do that, I do not want to vote against this funding and taking these people out of the floodplain and doing what we can to help them. And I don't believe that setting, doing this now is going to necessarily set a hard and fast precedence for the future.

>> Well, I don't want to get in a any philosophical discussion about probabilities, but every time you flip coin, you've got a 50% probability of it being heads or 5% tails, every time you flip it. Every year, every year these properties have

-- all the properties in the 100-year floodplain have a 1% chance. They may hit that 1% but they're still in the 100-year floodplain. Every other property in the city of austin or across the country that is in the 100-year floodplain has the same probability.

>> You're absolutely right on the responsibility theories, that is the definition of a 100-year floodplain.

>>Mayor leffingwell: Good, thank you. [Laughter] makes me feel good for a statistician to back me up.

>>Cole: In response, mayor, I will say I will be supporting this item and I did bring forward item 2. A which we will consider later which is more prevention city wide for flood disasters. >>Mayor leffingwell: We certainly want to do that that is \$1 million, ly suitable for something like a co or some other dead instrument. It is not \$87 million we're spending without voter approval, and we'll add to the property taxes, not this year, but next year. And the years there after. Any other comments? Those in favor of the motion, say aye.

[08:52:36]

[Chorus of ayes] >>mayor leffingwell: Opposed, say no. No. That passes on vote of 6-1. With myself voting no, if you didn't notice. Council member tovo. >>Tovo: Mayor, I'm going to pass. I believe there are other worthy items here and other council members have been more directly involved in them.

>>Mayor leffingwell: Council member morrison. >>Morrison: Thank you, mayor. I did put us at \$6 million be added and I wanted to offer than pass out some information for discussion. As I mentioned, the aquatics assessment has been completed in terms of looking physically about what the state of our pools are, and I think that sara hensley, who is probably around, has spoken to this morning. Would love to have her here. If she could join us. And, what they found was, we have about \$70 million in repairs that are going to be needed in the next 30 years, and what I've passed out to you is where they

-- the listing of pools that they expect to, may will be, will likely, experience a critical failure in the next three to five years. Sara, do you want to come down and briefly remind us of the situation there.
>> Sara Hensley, executive director of parks and recreation. Council member Morrison is correct. Today we have our report back and we're fine-tuning things with brand setter Carol incorporated and it does tell us we have one, two, three, four, five, six, seven pools that are like three fail within the next three to five years. I'll give you the names. If you have that
-- you have it in front of you. >>Morrison: I passed it out.

[08:55:04]

>> That is the tip of the iceberg. We have other issues with tile and back flow preventers, some issues with other pools. So this is just the tip of the iceberg. >>Morrison: And the other thing that folds into b-7, complete, the master plan for aquatics do we want
-- aquatics, does it make sense to repair every one. Are there some close together, should we just repair one or two, and looking at that I did ask the director if she had any particular ones that actually, I said, you could suggest
-- or actually, I said would it make sense if we could get funding to prioritize funding for Govaly and Shites and you could respond to that suggestion?
>> Yes. Any was these, actually, if we could get the funding to replace or repair, you can see on the sheet that there is a couple here, including Govaly and Shites. Renovating on these is really not going to be financially smart to do because we will be right back where we are. Complete replacement is really the best thing to do. That's why these are all at the top. They really need serious renovation which really kick it is right into a brand new pool. The idea of Shipe is an 80-year-old pool. We duct taped it this summer to limp along. It is leaking water and still is, but major renovation digging digging into the deck and perhaps the pool structure itself and it is just not feasible when you're looking at an 80-year-old pool and trying to renovate. It is in an area it is not surrounded by another place to transport or take kids and families to within a reasonable area and it, too, is in a bad state of repair. It gets to a point you have to ask the question, is it worth trying to spend money to repair something or does it make more sense it replace it. In each case, both pools are beyond repair.

[08:57:11]

>> Part of the reason, I was trying to see, come up with a suggestion for basically getting started on this, and you will see that Govaly and Shipe are two of the lower. 3 million, two of the older. The other thing is -- is this close and if we're going to repair one, we have the discussion of which one we're going to repair. As is discussed on the first part of this page, the current aquatics bond funding is already spoken for, so I guess my question to Ed is, if we were to put this 6.6 into the capital budget, what exactly would that
-- how would that be handled?
>> We did look at the park departments bond program and could not find any additional funds funds there so this would be another item if council were to approve it, staff's recommendation would be look at the certificates of obligation to fund it, I would just say this is not an item we got added to the

reimbursement resolution. Item number 11 on your agenda had this notice to do a reimbursement resolution for most of the items but we would have to come back to council with the reimbursement on this item and you would vote today amend the city's capital budget in the amount of \$2,260,000 for this purpose and come back at a later meeting to close the loop on that. >>Morrison: You've put on the chart the service impacts, an impact of \$1.02 is that every month in.

>> Annual. >>Morrison: So for us, I really think we need to consider how important, especially in the heat that we have, that we immediate to be willing to invest in at least get started while we finish the rest of the plan and figure out the big picture. For that reason, I would like to offer this as an amendment to our capital budget. >>Mayor leffingwell: You say this would have to be financed with the co? >>Morrison: Yes.

[08:59:23]

>> Yes, sir. >>Mayor leffingwell: I object. It is within the realm of reason, scale wise for a co, but -- any other comment? Those in favor of the motion, say aye [chorus of ayes]

>> opposed say no. I'll say no. And that passes on vote of 6-1. Council member spelman. >>Spelman: Pass, mayor. >>Mayor leffingwell: Pass. Mayor pro tem cole. >>Cole: I would like to make a motion that we include item 2.8, the options for city wide flood prevent protection and preparedness. 1.135.

>>Mayor leffingwell: Is any objection to that? That is not one of the items you said would require a co?

>> No, that is not something we recommend certificates of obligation for. I believe the watershed department is prepared to talk about some funds options for that, including looking at theirs existing -- they found large portion of their program so they're here to respond to that. >>Mayor leffingwell: Okay. We can hear.

>> Diane gonzalez, financial manager. Yes, wear it actually looking at staggering some of the expenses we've identified so we could accommodate these expenditures. >>Mayor leffingwell: Thank you. Is there any objection? Without objection, that's adopted.

>> Thank you, mayor. >>Mayor leffingwell: Council member riley. >>Riley: Mayor, you will notice there are two items on the list of potential capital budget amendments related to kennel space at the austin animal center. I'm going to offer one of those with the understanding that one of my colleagues will be offering another. And the one I would like to offer is listed as item 2.5, the quarantine kennel conversion and new quarantine facility. The back up is at tab b-23. As explained in the back up, new

[09:01:35]

-- this space is required because of state regulations. The rabies authority for travis county, they're required to have kennels for quarantine it will allow them to address capacity issues and maintain compliance with issues this seems a matter of public health and necessity and I think it is an appropriate capital amendment to the budget.

>> So this is the austin animal center, improvements at the center for additional kennels and a quarantine

-- at the kennels and a quarantine facility?

>> That's right. >>Mayor leffingwell: Any objection to that? Hearing none, that's adopted. Council

member martinez. >>Martinez: Likewise, there is a second adoption kennel needed, mentioned here in the budget discussions and leading up to the budget discussions and I think the work at the austin animal center is to be commended for their efforts over the last few years, but we are needing some additional kennel space, especially because we're going to lose kennel space at the current town lake animal shelter once we remove that facility. I propose that we move forward with 5.425 million in the -- oh that's for the total project, sorry. Move forward with 2.8 million for the expansion of the adoption kennels at the austin animal center. >>Mayor leffingwell: Is there objection? I'll object and call for a vote. No other comments? Those in favor, say aye [chorus of ayes]

>> opposed say no. Ail say no. That passes on vote of 6-1

-- oh, 5-1 with council member spelman off the dais. Thank you. Council member tovo. >>Tovo: I'm still passing. >>Mayor leffingwell: Council member morrison. Passing? Mayor pro tem cole. >>Cole: Passing.

>>Mayor leffingwell: Any other proposals. So we have on the table an amended capital budget. Is that correct? Do you have any wrap-up comments or information we should know before we take the vote?

[09:04:07]

>> No just that the capital budget staff proposed would be amended by \$89,000,000,685 for the five items council just got done discussing and approving. >>Mayor leffingwell: Clerk will call the roll. [Roll call] >>mayor leffingwell: That passes on a vote of 6-1 with myself voting no. Now we go to item three. This is an ordinance offering fees, fines and other charges to be set or charged by the city for fy-2014-2015. I guess we need to first get a motion on the table and then we have proposed staff amendments first. So, there is a motion to approve the ordinance authorizing fees, fines and other charges.

>> So moved. >>Mayor leffingwell: Mayor pro tem so moved. Second by council member spelman. Staff.

>> If we could get council to briefly go back in your binders to tab a, which is our successry of all staff-- summary of all staff-recommended changes. The green tab. Yesterday, council took action to approve staff's recommended amendments to the operating budgets, items 1.1, 1.2 and 1.3 on that list. Item number three, staff would offer recommended changes to the fee schedule, items listed as 2.1, .2., .23 and 2.4, the changes in the late schedule needed and approved as part of the operating budget this these changes get the utility in compliance with the its 2% affordability goal.

[09:06:24]

>> Okay. None of these have affect on the drain ability ability or recovery.

>> All of these changes relate to austin energy. >>Mayor leffingwell: I wanted to make that clear. All right. So, are there any propose amendments from council? Council member tovo. >>Tovo: Yes. First of all, I would lake to say about austin energy, it is a question, really. We've had some discussion in this budget process but very, very recently about the energy efficiency budget, and that I believe we, as a council, should look more closely as that particular budget area. You know, we have heard some information from community members who are tracking the numbers they believe there is decrease and some extra fund and I do think that the up shot is, I do believe that we should, as part of our committee, really lack closely at the energy efficiency budget and see about increasing our funding there in conjunction with looking for ways to make sure that it is, that we are spending the money and we're

getting those dollars out working in the community, and that's a more complicated discussion that also involves some of our housing programs. So my question toused is, what are our -- to ed is, what are our option for making an adjustment later on. Is that a simple matter of a budget adjustment after we've had a time to really look more closely at this in one of our sub committee meetings.

>> Certainly, it is always council's prerogative to amend the budget of a it is approve. >>Tovo: I'm not prepared to make any amendments today. If we don't make any today, I will suggest that be put on the sub-committee agenda and we can look more comprehensively at the housing needs. And, I would like to talk about the water utility rates. I asked a question and we did receive back some information. I'm going have to ask staff where this landed in the binder. It has a page number at the bottom of 61 and section number at the top of 3.2.

[09:08:49]

>> As a course of business, usually at this stage we would have council to approve the staff recommendeds as read into the record and go continue to to the council amendments which we have two of.

>> All right. Is there any objection to approving the staff recommended amendments? Hearing none, approved.

>> The last section, just a tab-b under the summery sheet, on items 3.1 and 3.2, two council initiated amendments to the fee schedules. One from council member tovo for the water utility rates and brown council member riley related to street scape patio fees. >>Mayor leffingwell: I think some of us are having a hard time finding

--

>> we are back on that blue tab, called tab b. The very front a summary sheet and we are on number three of that summary sheet. >>Mayor leffingwell: Tab b? I don't have that in here. Okay. >>Cole:Tive.

>>Mayor leffingwell: All right, got it. Okay so now we're at the point these are council prose posals.

[09:11:02]

>> Proposed changes to the fee schedule. >>Mayor leffingwell: I don't have any numbers in here where it talks about cost in mine.

>> There is no cost associated with the item that council member tovo just referenced. It is a change to the water utility fees. The details of that water utility fee change that has been proposelisted under tab b-27, and at the very end of that packet of information. We have staff from the water utility. >>Mayor leffingwell: Can you give us a briefing on the proposed change from what air doing now.

>> Can you jump in, the staff also

-- the staff prepared a scenario based on the proposal I had made, but also offered an alternative proposal and it is actually the alternative water proposal that I'm most interested in at this point, but we can talk about both. That's the at alternative rate structure described on page 32, maybe this could caulk us through both.

>> Austin water utility director. In our original proposed budget, we're increasing rates particularly on

the waterside. We had gone through series of meetings with our joint sub-committee and waste water commission and came forward with the recommendation in the proposed budget. Council member tovo's office worked up a revised water fee schedule. That would be revenue neutral, that is, it would raise the same amount of revenue but do it in a way that would increase cost to larger water users and reduce cost to smaller water users.

-- reduce cost to smaller water users. We had a budget q&a and recommended an alternative way to achieve that outcome. Our recommendation was to increase the tiered fixed minimum fee more than we had originally proposed. And leave the volumetric proposed. That counter proposal is more in compliance with the recommendations at the joint financial sub committee as well as utility in the best interest of the water finances. And, that's

-- >> mayor leffingwell: So it keep as differential in the tiers the same?

[09:13:41]

>> It keeps the volumetrics you pay for water the same. >> Mayor leffingwell: Is that the same as saying price per gallon?

>> Yes. We did implement a few years ago a truck structure called a fixed fee, less volatile fees, and working with the council and joint financial sub committee we worked with the idea of a fixed fee that varies based on how many water you use but not as how much a typical volumetric would be, if you want to change the water schedule to charge more, you do it through this less volatile fixed fee schedule opposed to the less predictable volumetric structure.

>> How does a fixed fee

-- how does that apply? I would assume you're talking about like a base charge for water service?

>> You go to page 64 of the tab b-27 and see the table being referred to.

>> I'm under table two, under residential water rate summary. Table four there is a column called table two and table four, and we have three water fees. We have a meter fee, we have a tiered fixed fee and we have volumetric rates. And our proposal is to modify the tiered fixed fee, increase that for bigger water users, more than we had originally proposed.

[09:16:39]

>> Mayor Leffingwell: Table 2.

>> And you might call it also table 2 or column 2. Then table 3 was councilmember tovo's proposed changes. So that's kind of the menu of choices. Stick what was in the original budget or implement column 2 or table 2 or column 3 or table 3. We would recommend if you want to go the direction councilmember tovo is recommending, that you implement table 2 as opposed to table 3.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Why?

>> Because one of the objectives the utility is trying to solve is to reduce revenue volatility. Burst periods of extremely dry weather when we're in drought restrictions or when it rains, and it will rain one day, our water revenues can just fall off the cliff. They just

-- that volatility goes way down. We've been working with the joint financial committee to reduce that

amount of volatility in our water rates. One of the ways we did that was the joint financial committee and the utility agreed that the volumetric rates that are \$11 spread from the first to thrift block that not continue to get bigger because that's gotten us on the volatility rate. The high water users are shrinking but they have to cover more costs so when it's raining or in drought restrictions, we don't raise enough revenue. This whole year every month our water utility took in less revenue than we expended. That won't work.

>> Mayor Leffingwell: The Texas A&M business model. [Laughter]

>> no comment. Defend U.T.? No? So we developed these new structures, these tiered fixed fees that are less volatile, less volatile and less subject to these changes in water use patterns. So if you are going to continue down a path of trying to have higher water users pay more, and we understand why that's desirable, we would recommend you try to do that through fixed fee increases as opposed to continuing this big spread on the volumetric. There's still a little volatility there, but it's much less and it also compliments our goal of getting to higher fixed fees. We are 10% fixed revenues on the water side a few years ago, working with the joint financial subcommittee we've set a goal we're at 20% and over the next few years we want to get to 25%, and this step that we're recommending fits with that goal. Volatile and fits with our long-term revenue .

[09:19:44]

>> Cole: What is the joint committee recommending?

>> Both fit with the joint financial committee's recommendations. They had recommended the -- changing the tiered fixed fee next year, in next year's water rates as opposed to this year's water rates. So it's still in agreement with their recommendation, it's just accelerating that process earlier than what they had originally recommended.

>> Cole: I mean is councilmember Tovo's recommendation doing that or yours?

>> No, our recommendation. The councilmember Tovo's approach for the long-term recommendations.

>> Cole: And that's table 2.

>> Yes, or column 2, yes.

>> Mayor Leffingwell: There's quite a bit of difference this in the Tovo oh. Lean, you are reducing somebody's water bill almost \$200 a month and in the alternate you are increasing it by about -- by about \$70 a month. Excuse me. I've got that wrong. By about \$120 a month. It's getting late in the day.

>> Tovo: Can I ask you which are you looking at the highest water users?

>> Mayor Leffingwell: Yes. Yes, I am. So that's

-- I think with water rates like that for what

-- you really run the risk of driving customers off forever. So it provides an incentive to water wells. I think it doesn't bear any relationship whatsoever to the cost of the service you are providing. I really like your initial recommendation, but I could certainly support the alternate tiered fixed fee comparison in table 2, but I could not support table 3. Councilmember Morrison.

[09:22:06]

>> Morrison: Greg, thanks for all your work on this. You are saying that the alternate that you are recommending sort of filths within their concept. Did they actually look at this particular scenario, the one that you are recommending as alternate 2?

>> I don't believe this actuality nature did

--

>> david anders, assistant director for austin water. What the joint committee did is they actually recommended to stay with their 2012 recommendations going into the 2015 rates and that's represented on table 1.

>> Morrison: That's in the current proposal in the budget is their proposal.

>> Is their proposal. And they made it clear they wanted to stay with that. Then we also in the joint committee this year looked at going forward in year 16 and year 17, and what they recommended in year 16 and 17 is to do a two-year transition of two things. One is they wanted to increase the spread on our tiered fee. Just like what we're doing in the alternate. So they wanted us to do that over a two-year period. And then also increase the fixed fee, the fixed revenue from 20% total revenue to 25%. So they told us in this year's work that they also addressed two years going out in trying to make further recommendations of changing our fixed revenue. And so this alternate is consistent with what they asked us to do for the tiered fee. We just moved it up one additional year to address councilmember tovo's request.

>> Morrison: So could you help us understand the time line that they've set out because it sounds like this is sort of accelerating a time line that the finance committee, so why are they recommending a slower time line for adoption of something like this?

[09:24:06]

>> First of all, if -- they sort of looked at it as increasing the fixed fee to 25%. They knew that was going to have some bill impact to that for some of the lower customers. So what they didn't want to have happen is this particular year when we're having such a large rate increase to also try and make a change to the fixed revenue or to this tier so they were looking at extending that after we got through this larger rate increase that we proposed for this year. Now, in actuality, when you move up this change to the fixed fee like we have assumed in the alternate, that actually has a tendency to reduce the rates for this 2015 compared to what our proposal was. And you can see that, I think the mayor was sort of alluding to that when you look at table 1 and you look at the dollar and the percentage variances, our alternate actually for the lower use customers is actually lower than that so they are getting a much less bill impact for next year. And so that has that impact.

>> Morrison: And I presume that if we stick with the time line for the -- that the committee has laid out, the lower volumetric users would experience less of an increase on the next year when they do implement that. They are getting more of the increase this year than next year.

>> Well, this year they would be benefiting because we're implementing

-- if we were to implement this

--

>> Morrison: I'm talking about the joint committee's recommendation. Not implementing the alternative we have here. What we're looking at here and I'm sure this is why it was raised is a 2,000-gallon a month person is looking at a 22% increase in their bill this year. So what I was asking is if -- and you are saying that -- okay. So on their time line would they experience less of an increase the following year as opposed to these? I mean, we're not going to get more money out of them total, right, if there's an overarching agreement.

[09:26:30]

>> I can explain that in the second year and third year when we were transitioning to a higher fixed fee, then by adjusting the tiered fee, it helped to off set some of the impact of that increasing fixed fee. So we were thinking in 2016 we would go half the distance so we would go from 20% to 22.5% of fixed revenue. And that would have an increasing effect on those lower users, but then this change in the tiered fee would also help to off set some of that. So they might not have as big of an increase. Now, if we were to implement the alternate table 2 this year, then when we go to that 22.5%, there will be nothing to off set, they will just see a little bit higher increase.

>> Morrison: Councilmember actively it's going to be the same.

>> Yeah, it should be.

>> Morrison: Right. And I did ask

-- I know we had some folks come down and talk to us about it and I asked luke metzger, who is on your committee, my nominee for the resource management commission, and I asked him how he felt about the recommendations that came out that are in our budget, and for what it's word I'm going to read what he wrote back. He said our drought and rate structure has encouraging conservation including with the largest users using significantly less and police officer paying less. Less revenue means less of a subsidy going to the lower tiers. We proposed increasing the tier and the volumetric fierce for the upper but that wasn't enough. About 67% of the water use is in tiers 1 and 2 so we had to increase revenue from them to making more people pay the actual cost of service. It's fair to say it's not an increase in cost but a decrease in subsidies. Would you say that's true that last statement?

[09:28:33]

>> That is correct.

>> Morrison: And frankly we're subsidizing because that's an encouragement for conservation. And so I guess what I'm uncomfortable about is adopting this alternative when I know that we have a committee that spent so many hours and looked at so many scenarios and I don't feel like I could quite capture necessarily their

-- the real foundation of their time line. So what

-- what I would like

-- what I could support would be to ask that we send alternative 2 back to the committee to come back with a recommendation for us. And, you know, hopefully they could reconvene relatively quickly, get up to speed relatively quickly on that altern so we could hear from them on it. Because I feel a little at sea

here.

>> Mayor Leffingwell: So that would involve going for now for budget purposes with the staff recommendation?

>> Morrison: That's correct.

>> Mayor Leffingwell: Okay.

>> Morrison: Do we have a motion?

>> Mayor Leffingwell: I thought we did.

>> Tovo: We did, and I'm interested

-- let me ask for the purpose

-- how quickly could they come back? I'm very uncomfortable with this staff proposal. I think it really will impact our small users dramatically. I mean 22% increases are huge. 24%, 25%. You know, those are huge bill impacts and we really do need to mitigate those. I just don't think I can support the staff proposal as it is. I'm comfortable, you know, you see the date on this. We just got back these various scenarios within the last week so there is a lot to absorb and it would be useful to have some additional conversation about it. I would say if the joint subcommittee is going to look at it, I would like them to look at the tovo option as well and compare the two because I can see some value in both of those approaches. I think I agree with staff that the alternative 2 seems to be more in line with some of the measures that they expressed were important to them in terms of having a \$22 spread between the user fixed fee and the top user fixed fee and some other measures. Do we have the option of leaving the rates as they are, rejecting the staff proposal, keeping those rates constant, asking the joint subcommittee to reconvene quickly and then offer us their recommendations without these two alternatives expressed in table 2 and 3?

[09:31:14]

>> Well, you would not then be in

--

>> Mayor Leffingwell: Lose money faster.

>> With the operating budget you just approved includes a certain amount of revenue driven by the rate schedule staff brought forward. An alternative would be to adopt the stab proposed and revise that rate schedule as long as it generates the same amount of revenue. That might be a more prudent course of action due to item 1 has passed with a certain level of expectation.

>> Mayor Leffingwell: So in other words, if we don't adopt the staff recommendation today, it will have repercussions and we'll have to revisit other parts of the budget that we've already passed.

>> Tovo: Which we don't want to do.

>> Either staff's recommendation, which is list understand table 1, or some other alternative that generates the same amount of revenue list understand tables 2 and 3. But definitely need a rate structure that support the revenue that was included in the operating budget.

>> Tovo: We could approve the staff's recommendation and ask the joint subcommittee to revisit it. We could approve table 2 and ask the joint subcommittee to evaluate those two options. And the staff, as I understand from your memo, are supportive of table 2. Is that right?

>> Our recommendation in the original budget, we believe that's the best course of action. In the

alternative, what you were seeking with your proposed table, we believe table 2 is a better way of doing that is more fully complies with the long-term direction of subcommittee and the utility.

>> Tovo: Thank you. I guess I would be interested in my colleagues' thoughts.

>> Mayor Leffingwell: I would like to put on the table for now at least to approve the staff recommendation that's already baked into the budget and, you know, we can fight this battle later on, but I just want to say a couple things. There is a fairness question involved here. Our tier structure already involves tier 5 I believe is somewhere close to 900% higher than tier 1 on a volumetric basis. That's 10 times or 11 times as high.

[09:33:44]

>> It's \$11 more. I don't know what the personal is.

>> Mayor Leffingwell: The guy behind you is nodding his head.

>> Yes.

>> Mayor Leffingwell: Yeah. So in the fairness issue comes in that we don't

-- we don't market a product, mark up a product. We don't pay anything for water. So the cost to provide water to our customers, whether they buy 10 gallons a month or 100,000 a month is the same.

You still got to have the same infrastructure, you've still got to have the same pipes, the meters, people to read the meters and so on and so forth. So it's not dependent on how much water they use. The cost of the utility. I have a fairness question if you stray so far away from that that it doesn't make sense is that fair to customers. And I understand you are trying to

-- trying to encourage conservation, but this

-- I think this proposal, table 3 is kind of off the charts in that regard. So I would support the original staff recommendation. Go ahead and consider some kind of change later, I think that needs to be fully debated, not in the few minutes that we have here today or even all of tomorrow. So that's my proposal.

>> Tovo: Are you speaking that as a substitute?

>> Mayor Leffingwell: I didn't know you had one on the table.

>> Tovo: I do.

>> Mayor Leffingwell: Well, I object to that.

>> Tovo: Didn't want to pass an opportunity for you to object, mayor.

>> Mayor Leffingwell: Councilmember Spelman.

>> Spelman: One of the things we've been talking about if we raise the rate on some customers, if customers have a choice, for example, if we raise the rate on the last 10,000, 20,000 gallons of water, the higher tiers, some people will use less water, respond to higher rates and drop down a tier. What assumptions are we making about original proposal about how many people or how much people will respond to those changes in rates or fixed rates associated with your original proposal, with the proposal in table 1 and 2?

[09:36:21]

>> I'll have David answer that.

>> We knew this would be a question coming in and so as we were preparing councilmember tovo's option, we included an additional 5% pricey last tiered fixed 5%price elasticity so we felt that would compensate for those kind of actions where the higher volumetric rate would produce lower volumes.

>> Spelman: Unless the assumption is negative .17.

>> Per every unit of increase, yes. And so this was about consistent with the increase between the current proposal and the block 4 and 5 in councilmember tovo's option, that that would result in about a 5% reduction in consumption.

>> Spelman: You will apply that elasticity and the net result

--

>> we basically used about a 2% pricey last advertise tiered fixed change or .20. For that.

>> Spelman: Okay. Thanks. That's what I wanted to know.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Thank you what is the schedule, so rates do we adopt when do you expect to implement them?

>> They typically go into EFFECT NOVEMBER 1st, BUT We need sometime to program the billing system to implement the rate. If we're not really structurally changing and inventing a new structure, the billing system reprogramming is fairly straightforward, we would take the month of october and implement that and they would go into effect NOVEMBER 1st.

>> Morrison: So with the staff's currently proposal that's on the table in the budget, you would expect to be able to do that programming and get it done BY NOVEMBER 1st?

[09:38:25]

>> Yes.

>> Morrison: And so I'm just wondering about because I'm very supportive of just adopting what is in the proposed budget and not changing that, but asking our joint finance committee to get together and take a look at it. And I guess it's too much to hope that we could be on a time line that they could meet quickly enough and come back to council and then november 1st could actually be

-- could actually be implementing a different structure than what we adopt today.

>> I think that might be difficult, other than we have to impanel the group again, we have to post for their meeting, they have to meet and they meet once or twice. I think there would probably have to be another public hearing on the rate if you change them again. We have to set the public hearing. And then go through that kind of a process. So I think that might take a couple of months.

>> Morrison: Is it something that could be done before, I don't know, the end of the year?

>> I would

-- I would think so. I'm assuming there's another public hearing involved in that.

>> I just wanted to add that austin energy typically needs 30 days to implement new rates even if they are not structural changes, to make sure that the billing gets tested prior to rolling out actual bills to customers. They would need at least the 30-day window if there is no structural changes.

>> Morrison: Right. I'm just thinking about the approval process, if we would be able to get through that this year.

>> I would think so, yes. When you say this calendar year.

>> Morrison: This calendar year. This council year. So that's what I'll be supportive of. But I won't be supporting the motion on the table, but I'm very supportive of getting, you know, those folks that have been really terrific and gotten really to be experts in the push-pull of the rates and conservation and affordability and revenue stability, I really would like to see this and get their perspective on this.

[09:40:35]

>> Mayor Leffingwell: Those in favor of councilmember tovo's motion

--

>> Tovo: Let me say this. If they don't mind offering their thoughts on it, what I would like to get a sense of if that's the general interest of the group, I would rather not send this to the joint subcommittee having had a failed vote here within this group. So if the general consensus is that the joint subcommittee ought to evaluate it or if the general consensus is that this alternative proposal makes better sense to move forward with, then that would be helpful information.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: I have been very pleased and impressed with the joint committee and the work that they've done and what we've charged them with and so I would feel very comfortable if they looked at this as opposed to us after all that we are doing with the budget process anyway. I think it deserves a lot more scrutiny by a committee before we make a decision on it.

>> Mayor Leffingwell: Then you want to proceed to a vote on this, councilmember? I thought you were saying you didn't want

-- the reason I asked

--

>> Tovo: I am going to withdraw my amendment at the appropriate time I would like

-- I'm not going to be able to support staff proposal but I will withdraw my amendment on this with the assumption that the staff are going to move forward and reconvene the joint subcommittee and ask them to look at both table 2 and table 3. Thank you for the work on this alternative.

>> Mayor Leffingwell: To mr. Van eenoo, I assume no action, a default would be the original proposal.

>> Yes, sir.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: And I would just like

-- you probably already got this, but I think it would be very good if this council, this council year, if wrecked look at the schedule and try and make sure that any recommendation from the joint subcommittee comes back to this council before the end of the year.

[09:42:50]

>> We'll do our absolute best.

>> Morrison: Thank you.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I would assume just to add to that, I would assume you can go ahead and begin the process of posting the public hearings knowing that likely the joint committee-i don't know if that's appropriate or

not if you can get the process to setting the public hearings and things like that. In the event the committee makes a recommendation that's different from the status quo.

>> We'll schedule all that.

>> Mayor Leffingwell: Okay, so what we have is only staff approved amendments so far, mr. Van eenoo?

>> Yes, the staff amendments to austin energy. There is one to the fee schedule.

>> Mayor Leffingwell: What is that?

>> It's from councilmember riley.

>> Mayor Leffingwell: That again, councilmember?

>> Riley: I haven't raised it get but I would be glad to.

>> Mayor Leffingwell: Go ahead.

>> Riley: Our fee schedule this year includes a new fee. It appears in volume 2 at the bottom of page 638 under the austin transportation department's mobility fund. It is designated street patio metered space. There was no fee for that previously and the fee for this new fiscal year is \$4,000 per space per year. A couple years ago we approved a pilot street patio program and the initial pilot was in the 600 block of congress, taking out two parking spaces and using them for patio space. Part of the idea is that there is a certain public benefit because it creates a livelier streetscape and additional potentially creating sales tax revenue. It has been well received and successful and there is interest in doing similar street patios elsewhere. So the question is how much are we going to be charging for that going forward. The proposal that you see there is \$4,000 per space per year. That is based on the estimated replacement revenue. That's what

-- that's tipped the amount of revenue that we would expect to see from a space in a given year. What that doesn't take into account the fact there is some public benefit associated with having those patios there in terms of creating a livelier streetscape. A similar issue has come up in the cont valet spaces because they provide a public benefit, allow people

-- they are a matter of convenience for people who ne park, it becomes an easier way to park because you can use valet. In the context of valets, we charge 60% of replacement revenue. What we've heard from small businesses that are interested in the street patio program is that the \$4,000 amount would be problematic for them going forward and they would be interested in something like what the valets have and something on the order of 60% of replacement value which would amount to \$2,400 per space per year. What we've heard from our

-- from small local businesses who are interested in this is that would be a more manageable fee for them. And I think it would be

-- it would fairly reflect the public benefit associated with having more active use of this public space.

And so with all that, I would move that we amend the fee schedule to change the proposed fee for the street patio metered space from \$4,000 per space per year to \$2,400 per space per year.

[09:46:36]

>> Mayor Leffingwell: Does that have any unanticipated consequences, any effects on other budgets?

>> No, this

-- this would affect the transportation department's revenues very slightly depending on how many occur and, you know, really we would think it's within the margin of error anyway. I don't think we

would offer to council to make an amendment to their revenue budget for what might be only two or three thousand dollars a year and really it's depend on whom of these occur.

>> Mayor Leffingwell: Is there any objection to councilmember riley's amendment? Councilmember morrison.

>> Morrison: I asked and you answered it before, could you remind us the valet schedule, we're on a schedule of bringing them up to

-- are we currently at 60% or we're planning to increase it over the year to full or is 60% the top that we're going to be getting to.

>> Councilmember, robert spiller, transportation department, 60% is the goal so we're on our way to there. Remember that's different because we have an existing program that's been out there for some time and so we're ratcheting up their fees to get in line. This is a new fee and so this [inaudible]

>> Morrison: Okay. Thank you.

>> Mayor Leffingwell: Without objection

-- are you objecting, councilmember tovo?

>> Tovo: I'm asking to clarify the last comment. Was \$4,000 the 60% replacement value or that was the full replacement value of

--

>> that's the latter. 4,000 was the full average revenue that a space in the area that probably affected is generating. So some spaces generate more, some less. This would be in line with the concept of the valet.

[09:48:39]

>> Tovo: So it's 50, not 60, right?

>> Well, on valets we're headed towards 60%. We're not quite there yet.

>> Tovo: Thank you.

>> Mayor Leffingwell: Councilmember riley's amendment is adopted without objection. Anything else? I think we're all set. Clerk will call the roll.

>> Mayor leffingwell.

>> Mayor Leffingwell: Eye.

>> Mayor pro tem.

>> Yes.

>> Councilmember morrison.

>> Yes councilmember riley, yes.

>> Councilmember spelman.

>> Yes councilmember tovo.

>> Yes. With the exception I'm voting against the wu water rate.

>> Mayor Leffingwell: I guess we can show councilmember tovo voting against the awu water rates. So that passes on a unanimous vote 7-0. We'll take up agenda item 3. No, agenda item 4 through 6 together. These are establishing classifications and positions in the classified service of austin e.M.S., police and fire department. Is there any discussion? Councilmember martinez moved approval.

Councilmember riley seconds. Those in favor say aye. Opposed say no. That passes on a vote of 7-0. Now

we can take up items 7, 8, 9 and 10 together. Reimbursement resolutions for geo debt, austin water, austin bergstrom airport and items that have been the subject of council resolutions. So is there a motion on item 7, 8, 9 and 10 together?

>> So moved.

>> Mayor Leffingwell: Councilmember martinez moves to adopt, seconded by councilmember spelman. All in favor say aye. Opposed say no. That passes on a vote of 7-0. Agenda number 11, reimbursement resolution for large items that council requested were approved earlier for which is city issued debt to pay for them.

[09:51:01]

>> We have a slight adjustment to number 11. Essentially you could strike out the last two lines of what's listed on your agenda for item 11. Approve a resolution declaring the city of austin's official intent to reimburse itself from certificates of obligation in the amount of \$78 million for buyouts of single-family houses in flood prone areas and related improvements and \$5,425,000 for austin animal center improvements, period.

>> Move approval.

>> Mayor Leffingwell: Councilmember martinez moves approval seconded by councilmember spelman. Those in favor say aye. Opposed say no. That passes on a vote of 7-0. Now we go to the hard part. Item 12 a vote to ratify the tax increase. This vote is in addition to and separate from, we'll do this later, a vote to adopt the budget and a vote to set a tax rate. Motion by law has to be made in the form below. Is there a motion? Okay. The vote is required by state law. Council must make this vote separately and make clear it will take more property taxes than the city raised last year to pay for the budget we approved this year. This is not a vote on the tax rate. We will take a separate vote on the tax rate after the budget is adopted. Is there a motion to ratify the property tax rate reflected in the fiscal year 2014-2015 budget adopted by council today, and the maker would say motion to ratify the property tax increase reflected in the fiscal year 2014-15 budget.

>> Spelman: I move to ratify the tax increase reflected in the 2014-15 budget.

[09:53:04]

>> Mayor Leffingwell: Thank you, councilmember. You could have just said so moved. Seconded by councilmember morrison. We have a motion by councilmember morrison -- motion by councilmember spelman, a second by councilmember morrison. To ratify the property tax rate increase reflected in fiscal year 2014-2015 budget. Those in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Item 12 passes on a vote of 7-0. That takes us to agenda item 13, which is a vote to adopt a property tax rate. We will now take up item 13 to approve an ordinance adopting and levying a property, ad valorem tax rate for the city of austin for fiscal year 2014-2015. There will be a short statement by law regarding the exhibits to the ordinance and then we will make a motion that uses language required by state law.

>> Thank you, council. Manager lee. Lela fireside for the law department. I want to make sure you

realize part of the exhibits for the tax rate ordinance are the historic hopes that are granted the partial exemption for this year. And one of those is for the homes that are registered landmarks and the other is for the homes and by adopting it you are agreeing they are in need of tax relief to encourage their preservation. So I just wanted to make sure you are aware of that. Thank you.

>> Mayor Leffingwell: Okay. So the tax code requires that this will be a record vote. When we say we're voting to increase the tax rate, the statute defines increase as the percentage by which is proposed tax rate exceeds the effective rate. So the motion would be, I move that the property tax rate be increased by the adoption of a tax rate of 48.09 cents per hundred dollar valuation which is effectively a 4.4% increase in the tax rate. Councilmember morrison so moves. Councilmember spelman seconds. We have a motion. And a second that the property tax rate be increased by the adoption of a rate of 48.099 per hundred dollar valuation.

[09:55:37]

>> Mayor leffingwell.

>> No.

>> Mayor pro tem.

>> Yes.

>> Councilmember martinez.

>> [Inaudible] councilmember morrison.

>> Yes.

>> Councilmember riley.

>> Yes.

>> Councilmember spelman.

>> Yes.

>> Councilmember tovo.

>> Yes.

>> Mayor Leffingwell: Passes on a vote of 6-1. So just checking here. Now, we will now recess this meeting of the austin city council and call to order a meeting of the austin housing finance corporation.

>> Good afternoon, board of directors. Betsy spencer treasurer of the austin housing finance organization. I offer two items that I offer on consent and I'm available for questions.

>> Mayor Leffingwell: Any questions for the housing department? Housing finance corporation. I'll entertain a motion to approve the consent agenda. Councilmember spelman so moves, councilmember morrison seconds. All in favor? Opposed? That passes on a vote of 7-0. That completes the business for ahfc. Without objection, that meeting is adjourned. We'll call back to order a meeting of the austin city council and recess the meeting of the austin city council and call to order a meeting of the mueller local government organization. Corporation.

>> Good evening

-- good afternoon. Assistant director with economic development here to present three items for your consent. For the mueller local government corporation.

[09:57:43]

>> Mayor Leffingwell: Is there a motion to approve the consent agenda? Councilmember morrison so moves. Seconded by councilmember spelman. I think I heard that back there. Those in favor say aye. Opposed say no. That passes on a vote of 7-0. And completes the agenda for the mueller local government corporation. Without objection, that's adjourned. The meeting of the austin city council is called back to order and our business is complete. Totally, right, mr. Van eenoo?

>> Yes, sir, thank you.

>> Mayor Leffingwell: Congratulations to the staff for a great job. [Applause] my only question is how long do you get before you start on next year's budget. Not very long, probably.

>> Maybe a week. [Laughter]

>> Mayor Leffingwell: Without objection, we stand adjourned at 4:00 p.M.