

**AUSTIN CITY COUNCIL
MINUTES****BUDGET ADOPTION READING MINUTES
MONDAY, SEPTEMBER 8, 2014**

The following represents the actions taken by the Austin City Council in the order they occurred during the meeting. While the minutes are not in sequential order, all agenda items were discussed. The City Council of Austin, Texas, convened in a budget adoption reading on Monday, September 8, 2014 at the Town Lake Center, 721 Barton Springs Road, Assembly Room, Austin, Texas.

Mayor Leffingwell called the Council Meeting to order at 9:40 a.m.

1. Approve an ordinance adopting the Operating Budget for Fiscal Year 2014-2015, beginning on October 1, 2014 and ending on September 30, 2015.

The motion to approve Ordinance No. 20140908-001 with the amendments listed below was made by Council Member Morrison and seconded by Council Member Spelman.

The following staff recommended budget amendments were approved without objection:

Increase Austin Energy revenue related to the Power Supply Adjustment in the amount of \$516,670; Increase Austin Energy requirements related to the Power Supply Adjustment in the amount of \$516,670; Decrease Austin Energy revenue related to Regulatory charges in the amount of (\$18,951,004).

The motion to increase the transfer to the Critical One-time Fund from Budget Stabilization Reserve up to the limit allowed by financial policy in the amount of \$3,319,712 was approved without objection.

The motion to maintain the property tax revenue at the proposed amount of \$352,498,522 and reduce the property tax rate by 0.0011 failed on a vote of 1-6. Mayor Leffingwell voted aye.

The motion to increase the property tax revenue estimate based on Certified Tax Roll in the amount of \$1,068,056 was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to maintain the property tax revenue at the proposed amount of \$352,498,522 and reduce the property tax rate by 0.0025 failed on a 1-6 vote. Mayor Leffingwell voted aye.

The motion to increase the property tax revenue estimate based on improved tax collections was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to reverse the Sustainability Fund proposed changes in funding model in the amount of \$4,843,426 failed on a 0-7 vote.

The motion to reinstate Austin Energy's reimbursement to Austin Police Department for Homeland Defense services in the amount of \$403,764 failed on a 3-4 vote. Those voting aye were:

Mayor Pro Tem Cole and Council Members Morrison and Tovo. Those voting nay were: Mayor Leffingwell and Council Members Martinez, Spelman and Riley.

The motion to eliminate fee waivers for City co-sponsored events in the amount of \$732,910 failed on a 0-7 vote.

The motion to decrease the transfer to Austin Transportation resulting from a decrease in Austin Transportation Department related fee schedule in the amount of \$244,838 failed on a 0-7 vote.

The motion to amend the Emergency Medical Services (EMS) budget to include addition funding for the EMS Demand Unit in the amount of \$321,796 (critical one-time) and \$265,697 (general fund) for a total amount of \$587,493 was approved without objection.

The motion to include \$66,988 (general fund) and \$280,012 (other funds) for a total amount of \$350,000 in funding for the Capital IDEA through the Economic Development Department was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$112,241 for an additional SNAP position and technology and outreach was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include one million for additional Social Service Contract funding was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to amend the Auditor's budget to include a part-time administrative specialist and reduce the budgeted vacancy savings from \$69,122 to \$20,000 was approved without objection.

The motion to include \$1,250,000 in funding for AISD – Parent Support Specialist was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include additional funding for the Music Division in the amount of \$6,321 (general fund) and \$23,679 (other funds) for a total amount of \$30,000 was approved on a 6-1 vote. Mayor Leffingwell voted nay.

Mayor Leffingwell recessed the Council Meeting at 11:02 a.m.

Mayor Leffingwell called the Council Meeting back to order at 11:19 a.m.

The motion to include on-time expenditures of \$300,000 for outreach, education, and enrollment in services in the Affordable Care Act and \$75,000 for a feasibility study on creating a Community Health and Wellness Center in the Rundberg area as recommended by the Hispanic/Latino Quality of Life Advisory Commission was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to reconsider the additional one million for social services contracts to provide that the funding will be allocated based on recommendations from Health and Human Services Department and Council including use for transitional needs was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$400,000 for AISD – Afterschool Programming (Expiring 21st Century Grant) was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$410,000 for replacement funding to offset loss of Community Transformation Grant was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion amend the Austin Public Library budget to include \$506,952 to increase library hours (open branches Thursday and Friday) was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$300,000 (critical one time) and \$66,458 (general fund) for a total amount of \$366,458 for phase one of an updated citywide Historic Resources Survey was approved on a 6-1 vote. Mayor Leffingwell voted nay.

Mayor Leffingwell recessed the Council Meeting to go into Executive Session at 11:46 a.m.

EXECUTIVE SESSION

The City Council went into Executive Session, pursuant to Chapter 551 of the Texas Government Code, to receive advice from Legal Counsel, to discuss matters of land acquisition, litigation, and personnel matters as specifically listed on this agenda and to receive advice from Legal Counsel regarding any other item on this agenda.

14. Approve a resolution directing the City Manager to negotiate and execute all documents related to the acquisition of approximately 75.19 acres of real property located at the intersection of Bull Creek Road and 45th Street, Austin, Texas in an amount not to exceed \$28,900,000 and authorizing the City Manager to declare official intent to reimburse costs and expenditures of the acquisition from the proceeds of tax-exempt debt. (Notes: SPONSOR: Council Member Laura Morrison CO 1: Council Member Kathie Tovo CO 2: Council Member William Spelman)
15. Discuss legal issues related to City of Austin 2014 labor negotiations with employees in the Fire department (Private consultation with legal counsel-Section 551.071).

Executive Session ended and Mayor Leffingwell called the Council Meeting back to order at 2:27 p.m.

DISCUSSION CONTINUED ON THE OPERATING BUDGET FOR FISCAL YEAR 2014-2015

1. Approve an ordinance adopting the Operating Budget for Fiscal Year 2014-2015, beginning on October 1, 2014 and ending on September 30, 2015.

The motion to include \$65,000 (critical one time) and \$118,000 (general fund) for increased operational funding for the Charles Umlauf home and studio was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to include \$35,992 (general fund), \$190,754 (critical one time) and \$3,254 (other funds: Austin Resource Recovery) for a total amount of \$230,000 for expanding the existing annual agreement with Austin Technology Council to include the Austin Tech Partnership was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to include \$43,000 for assistance to the Family Resource Centers was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to amend the Parks and Recreation Department budget to include \$133,700 (general fund) to provide winter hours at Bartholomew pool was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to include \$151,000 (other funds) for educational programs relating to citywide flood prevention, protection and preparedness was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to include \$11,998 (general fund) and \$48,002 (other funds) for development of worker cooperatives and/or marketing for the cooperative business model was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to amend the Health and Human Services Department budget to include \$248,673 (general fund) for three additional full-time social worker positions was approved on a 5-0 vote. Mayor Leffingwell and Council Member Spelman were off the dais.

The motion to amend the Parks and Recreation budget to include \$35,500 for additional costs for Asian American Resource Center senior meals program was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to amend the Telecommunications and Regulatory Affairs (TARA) budget to include \$66,984 (other fund) for a new full-time position for Digital Inclusion Strategic Plan support was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to amend the Economic Development Department budget to include \$19,996 (general fund) and \$110,004 (other funds) for a total amount of \$130,000 for expanding the scope and contract with Austin Gay and Lesbian Chamber of Commerce was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion amend the Austin Public Library budget to include \$7,162 (critical one time) and \$7,838 (general fund) for a total of \$15,000 for Outreach kits and \$20,000 (general fund) for outreach and programming supplies, promotion, Internet fees for WFI hotspots and presenter fees for a total of \$35,000 was approved on a vote of 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to amend the Emergency Medical Services Department budget to include \$189,355 (general fund) for EMS Injury Prevention Program was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to amend the Parks and Recreation Department budget to include \$12,525 (general fund) for ongoing maintenance of City-owned land at 401 West St. Johns Avenue was approved on a 6-0 vote. Council Member Spelman was off the dais.

The motion to include \$76,000 (general fund) for the Austin Youth River Watch Program was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

Direction was given to staff to scrub the critical one time fund list to identify other potential funds.

Direction was given to staff to scrub the critical one time fund list to identify \$225,000 (critical one time) for phase 1 of Huston-Tillotson Community Health and Wellness Center and ongoing programming.

The motion to include \$110,000 (\$55,000 general fund and \$55,000 other funds) for grossing up salaries for same-sex municipal employee health benefits was approved on a 6-0 vote. Council Member Spelman was off the dais.

The motion to amend the Parks and Recreation Department budget to include \$244,673 to convert 12 temporary employees to full-time employees was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

The motion to reduce the revenue to the employee benefits fund by (\$110,000) was approved on a 6-0 vote. Council Member Spelman was off the dais.

Mayor Leffingwell recessed the Council Meeting at 4:59 p.m. Council will reconvene on Tuesday, September 9, 2014 at 9:30 a.m.

Mayor Leffingwell reconvened the Council Meeting at 9:30 a.m. on Tuesday, September 9, 2014.

14. Approve a resolution directing the City Manager to negotiate and execute all documents related to the acquisition of approximately 75.19 acres of real property located at the intersection of Bull Creek Road and 45th Street, Austin, Texas in an amount not to exceed \$28,900,000 and authorizing the City Manager to declare official intent to reimburse costs and expenditures of the acquisition from the proceeds of tax-exempt debt. (Notes: SPONSOR: Council Member Laura Morrison CO 1: Council Member Kathie Tovo CO 2: Council Member William Spelman)

Resolution No. 20140908-014 was approved with the following amendments and direction on Council Member Morrison's motion, Council Member Spelman's second on a 6-1 vote. Mayor Leffingwell voted nay.

Council Member Morrison noted that The Texas Department of Transportation offered to see the 75-acre property located at the intersection of 45th Street and Bull Creek Road to the City in accordance with Texas Transportation Code 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, and municipal utilities as well as economic benefit. Council Member Morrison moved that the City express its interest in acquiring the property, as requested by TxDOT in its letter dated July 30, 2014, by approving a modified version of the resolution for item 14. Council Member Morrison moved to amend Section 1 to read as follows: "The City Manager is directed to negotiate with Texas Department of Transportation regarding the acquisition of the Property in an amount not to exceed \$28,900,000"; and to delete Section 2 in its entirety.

A friendly amendment was made by Mayor Pro Tem Cole to add a new Where As and a new Be It Resolved to read as follows: "Whereas, the City of Austin typically exercises due diligence before purchasing real property from government agencies, including obtaining a title commitment, a land survey, a phase 1 environmental site assessment and an appraisal. Be It Further Resolved, the City Manager is directed to follow the City's standard operating procedures while exercising due diligence during the negotiation process." The amendment was accepted by the maker and Council Member Spelman who seconded the motion.

A friendly amendment was made by Mayor Pro Tem Cole to add an additional Be It Resolved to read as follows: "Be It Further Resolved, The City Manager is directed to include various development assessments in their due diligence and report back to Council on the financial implications." The amendment was accepted by the maker and Council Member Spelman who seconded the motion.

Direction was given to staff to research the City's ability to include in any RFP or RFQ a preclusion protesting property taxes on an ongoing basis.

Mayor Leffingwell recessed the Council Meeting at 11:32 a.m. without objection.

Mayor Leffingwell called the Council Meeting back to order at 12:41 p.m.

Staff summarized the September 8, 2014 proposals and additional critical one time funding available made on September 8, 2014 and impact they would have on revenue and expenditures for the General Fund and

Other Funds.**DISCUSSION CONTINUED ON THE OPERATING BUDGET FOR FISCAL YEAR 2014-2015**

1. Approve an ordinance adopting the Operating Budget for Fiscal Year 2014-2015, beginning on October 1, 2014 and ending on September 30, 2015.

The motion to include \$105,280 to convert two part-time positions within the Office of the City Clerk to full-time was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$87,475 for additional expenses related to the park readiness, master plan, and ongoing maintenance of the City-owned land at 401 W. St. Johns Avenue was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$250,000 to complete the Strategic Master Plan for the Aquatic facilities was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$110,943 convert 7 part-time, temporary positions to 7 crossing guard supervisors, 0.75 FTE each, in the Child Safety Fund was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$225,000 for phase one of the Huston-Tillotson Community Health and Wellness Center and ongoing programming costs was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$40,000 for the Colorado River Alliance was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to transfer \$312,000 from the Cable Access reserve to AISD for PEG capital equipment was approved on a 7-0 vote.

The motion to reduce the sworn police officers from 59 to 46 officers failed on a 2-5 vote. Those voting aye were: Council Members Spelman and Morrison. Those voting nay were: Mayor Leffingwell, Mayor Pro Tem Cole and Council Members Martinez, Riley and Tovo. Direction was given to staff to better identify where new proposed new sworn officers are allocated in the APD budget for future budget meetings.

The motion to transfer \$11,063 from critical one time purchases to the general fund was approved without objection.

The motion to adjust the living wage from \$11.00 to \$11.39 per hour and tie the increase to the general wage increase for non-civilian employees and review the living wage every 5 years to ensure it is a true living wage was approved on 7-0 vote.

Ordinance No. 20140908-001 was approved on a roll call vote with the amendments listed above on Council Member Morrison's motion, Council Member Spelman's second on a 6-1 vote. Those voting aye were: Mayor Pro Tem Cole and Council Members Martinez, Morrison, Riley, Spelman and Tovo. Those voting nay were: Mayor Leffingwell.

2. Approve an ordinance adopting the Capital Budget for Fiscal Year 2014-2015, beginning on October 1, 2014 and ending on September 30, 2015.

Ordinance No. 20140908-002 was approved on a roll call vote with the following amendments on Council Member Morrison's motion, Council Member Spelman's second on a 6-1 vote. Those

voting aye were: Mayor Pro Tem Cole and Council Members Martinez, Morrison, Riley, Spelman and Tovo. Those voting nay were: Mayor Leffingwell.

The motion to issue \$78,000,000 in Certificate of Obligation (CO) bonds for a buyout of homes in the 100-year Onion Creek floodplain and the 25-year Williamson Creek floodplain with Williamson Creek home owners given the option to elect not to participate in the program was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to issue \$6,260,000 in Certificate of Obligation (CO) bonds to renovate/replace two critical pools identified in the Aquatics Assessment was approved on a 6-1 vote. Mayor Leffingwell voted nay.

The motion to include \$1,135,000 for citywide flood prevention, protection and preparedness was approved without objection.

The motion to issue \$2,625,000 in Certificate of Obligation (CO) bonds for quarantine kennel conversion and new quarantine facility was approved without objection.

The motion to issue \$2,800,000 in Certificate of Obligation (CO) bonds for new adoption kennels at Austin Animal Center was approved on a 5-1 vote. Mayor Leffingwell voted nay. Council Member Spelman was off the dais.

3. Approve an ordinance authorizing fees, fines, and other charges to be set or charged by the City for Fiscal Year 2014-2015, beginning on October 1, 2014, and ending on September 30, 2015. Ordinance No. 20140908-003 was approved with the following amendments and direction on a roll call vote on Mayor Pro Tem Cole's motion, Council Member Spelman's second on a 7-0 vote. Those voting aye were: Mayor Pro Tem Cole and Council Members Martinez, Morrison, Riley, Spelman and Tovo. Those voting nay were: Mayor Leffingwell. Council Member Tovo voted nay on the AWU fees.

The following staff recommended amendments were approved without objection:

- Increase the Power Supply Adjustment rate schedule of Austin Energy by \$0.002 cents per kWh.
- Decrease the Regulatory Charge rate schedule of Austin Energy by \$1.97 per kWh.
- Decrease House of Worship rate schedule of Austin Energy by \$0.1980 cents per kWh.
- Add the following description to non-scheduled disconnect (non-emergency) fee: Trips requested by customers for emergency service disconnections that are determined to be non-emergency by an Austin Energy employee responding to the request.

The motion to revise the Austin Water Utility Tiered Minimum Charge as outlined in Table 2 found in Council Q&A dated 9/4/14 from Council Member Tovo was withdrawn.

Direction was given to staff to send back the other tiered fee schedule options relating to the AWU Fees back to the Joint Subcommittee for analysis and report back to the Council by the end of the calendar year.

The motion to revise the "Street Patio – Metered Space" proposed fee to \$2,400 per space per year was approved without objection.

4. Approve an ordinance establishing classifications and positions in the classified service of the Austin Fire Department; creating certain positions; and repealing Ordinance No. 20130909-004 relating to Fire Department classifications and positions.

Ordinance No. 20140908-004 was approved on Council Member Martinez' motion, Council Member Riley's second on a 7-0 vote.

5. Approve an ordinance establishing classifications and positions in the classified service of the Austin Police Department; creating certain positions; establishing pay rates; and repealing Ordinance No. 20130909-005 relating to Police Department classifications and positions.
Ordinance No. 20140908-005 was approved on Council Member Martinez' motion, Council Member Riley's second on a 7-0 vote.
6. Approve an ordinance establishing classifications and positions in the classified service of the Emergency Medical Services Department; creating certain positions; establishing pay rates; and repealing Ordinance No. 20140626-019 relating to Emergency Medical Services Department classifications and positions.
Ordinance No. 20140908-006 was approved on Council Member Martinez' motion, Council Member Riley's second on a 7-0 vote.
7. Approve a resolution declaring the City of Austin's official intent to reimburse itself from the proceeds of tax-exempt obligations in an aggregate maximum principal amount of \$143,000,000 for expenditures related to the acquisition and construction of electric utility capital improvement projects.
Resolution No. 20140908-007 was approved on Council Member Martinez' motion, Council Member Spelman's second on a 7-0 vote.
8. Approve a resolution declaring the City of Austin's official intent to reimburse itself from: November 2012 Proposition 12 General Obligation bonds in the amount of \$46,115,000 related to transportation and mobility; November 2012 Proposition 14 General Obligation bonds in the amount of \$25,800,000 related to parks and recreation; November 2012 Proposition 16 General Obligation bonds in the amount of \$10,362,000 related to public safety; November 2012 Proposition 17 General Obligation bonds in the amount of \$4,035,000 related to health and human services; November 2012 Proposition 18 General Obligation bonds in the amount of \$4,650,000 related to library, museum, and cultural arts; November 2013 Proposition 1 General Obligation bonds in the amount of \$10,000,000 for affordable housing; and Certificates of Obligation in the amount of \$5,000,000 for building improvements, \$12,500,000 for the new Central Library, \$3,000,000 for the [re]Manufacturing Hub project, and \$1,300,000 for golf course improvements.
Resolution No. 20140908-008 was approved on Council Member Martinez' motion, Council Member Spelman's second on a 7-0 vote.
9. Approve a resolution declaring the City of Austin's official intent to reimburse itself from the proceeds of tax-exempt obligations to be issued through October 2015 for acquisition and construction costs in an aggregate maximum principal amount of \$200,000,000 related to Fiscal Year 2014-2015 Austin Water Utility Capital Improvement Projects.
Resolution No. 20140908-009 was approved on Council Member Martinez' motion, Council Member Spelman's second on a 7-0 vote.
10. Approve a resolution declaring the City of Austin's official intent to reimburse itself from revenue bonds in the amount of \$226,360,000 for Austin-Bergstrom International Airport improvements.
Resolution No. 20140908-010 was approved on Council Member Martinez' motion, Council Member Spelman's second on a 7-0 vote.
11. Approve a resolution declaring the City of Austin's official intent to reimburse itself from Certificates of Obligation in the amount of \$78,000,000 for buyouts of single family houses in flood-prone areas and related improvements, \$5,425,000 for Austin Animal Center improvements, \$5,350,000 for West Avenue improvements, and \$5,800,000 for a Magistrate Center.
Resolution No. 20140908-011 was approved as amended on Council Member Martinez' motion, Council Member Spelman's second on a 7-0 vote.

The amendment was to strike the last two items from the posting language to read “Approve a resolution declaring the City of Austin’s official intent to reimburse itself from Certificates of Obligation in the amount of \$78,000,000 for buyouts of single family houses in flood-prone areas and related improvements, and \$5,425,000 for Austin Animal Center improvements.

12. Ratify the property tax increase reflected in the Budget for Fiscal Year 2014-2015.
The motion to ratify the property tax increase reflected in the budget for fiscal year 2014-2015 was approved on Council Member Spelman’s motion, Council Member Morrison’s second on a 7-0 vote.
13. Approve an ordinance adopting and levying a property (ad valorem) tax rate for the City of Austin for Fiscal Year 2014-2015.
Ordinance No. 20140908-013 adopting the property (ad valorem) tax rate of 48.09 cents per \$100 taxable value was approved on a roll call vote on Council Member Morrison’s motion, Council Member Spelman’s second on a 6-1 vote. Those voting aye were: Mayor Pro Tem Cole and Council Members Martinez, Morrison, Riley, Spelman and Tovo. Those voting nay were: Mayor Leffingwell.

Mayor Leffingwell recessed the Council Meeting and called the Board of Directors’ Meeting of the Austin Housing Finance Corporation to order at 3:56 p.m. See separate minutes.

Mayor Leffingwell called the Council Meeting back to order at 3:57 p.m.

Mayor Leffingwell recessed the Council Meeting and called the Board of Directors’ Meeting of the Mueller Local Government Corporation Meeting to order at 3:57 p.m. See separate minutes.

Mayor Leffingwell called the Council Meeting back to order at 3:58 p.m.

Mayor Leffingwell adjourned the meeting at 4:00 p.m. without objection.

The minutes were approved on this the 25th day of September, 2014 on Mayor Pro Tem Cole’s motion, Council Member Spelman’s second on a 7-0 vote.