

City Council Regular Meeting Transcript –5/21/2015

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[10:22:13 AM]

>> Mayor Adler: Morning. I am Steve Adler, mayor of the city of Austin. We're going to begin today with an invocation from major Scott Crossley, chaplain of the Texas National Guard. Please rise.

>> Please join me in prayer. Lord, we pray to you today not solely out of habit or custom alone, but rare we believe the truth of your word and your promises. If we draw near to you, you, lord, will draw near to us. Lord, I thank you for the men who deemed it worthy back in 1868 to designate a special day to honor our fallen heros. Formerly known as decoration day, now known as memorial day, we pause to remember those brave men and women who died defending this great nation. Lord, thank you for the job to honor these men and women. The bible says the righteous are as bold as a lion. I pray for continued courage for our troops fighting today. For righteousness that permeates their ever being and for encouragement for family members who have lost a loved one due to military service. Today I pray especially for the Castleberry family as they remember their own hero, marine lance corporal Robert Castleberry junior, who died 10 years ago in Iraq. We remember Americans like dale who gave his life fighting as he and his fall forces were overrun at the end. Please be with the friends and relatives of day as long as with the other families who still grieve the loss of their own loved one on this memorial day. On this memorial day 2015 we thank you, lord, for the United States of America and for our fallen heros who are the pillars of this great nation.

[10:24:15 AM]

It's in your holy name I pray, amen.

>> Mayor Adler: Please be seated. Welcome and good morning. Thank you all for coming in honor of this coming Monday, memorial day. We are starting our council meeting with a memorial day ceremony and proclamation presentation. Ladies and gentlemen, we're now going to post the colors by the United States marine Corps color guard. Singing of the national anthem by Ms. Tina Lee. If everyone will please rise.

[10:26:16 AM]

♪♪ Oh say can you see by the dawn's early light? What so proudly we hailed at the twilight's last gleaming. Whose broad stripes and bright stars through the perilous fight, o'er the ramparts we watched were so gallantly streaming,... And the rockets red glare, the bombs bursting in air gave proof through the night that our flag was still there. Oh, say does that star-spangled banner yet wave... O'er of the free... And the home of the brave?

[10:28:43 AM]

>> Mayor Adler: This year memorial day falls on Monday, may 25th. This coming weekend many of us will have family reunions, barbecues and take a long weekend vacation or maybe take advantage of the retail sales, but memorial day has the word memorial in it for a reason. For many family members memorial day represents the true meaning of why we have this solemn holiday. Memorial day started on may 30th 1868 when union general John a Logan declared date an occasion to decorate the graves of civil war soldiers. 20 years later the name was changed to memorial day and on may 11th, 1950 congress passed a resolution requesting that the president issue a proclamation calling on Americans to observe memorial day each year. And to observe it as a day of prayer and a day of reflection. Memorial day was declared a federal holiday in 1971 and is now observed on the last Monday in may. It is an occasion to honor the men and women who died in all wars. We have a short video now to remind us of the true meaning of memorial day if everyone would please be seated.

[Video playing]

[10:30:48 AM]

>>

[♪Music playing♪] >>

[10:33:15 AM]

>> Mayor Adler: Marine lance corporal roger dale Castleberry junior. Marine lance corporal of Austin, Texas was tragically killed in action on August 1st of 2005. He was assigned to the fourth reconnaissance battalion, the fourth marine division out of San Antonio, and he was killed by enemy small arms fire while conducting dismounted operations in Iraq. Five other Marines also paid the ultimate sacrifice during this operation. I am now going to read and present the memorial day proclamation to the family members of lance corporal Castleberry, junior.

Proclamation: Be it known that whereas the city of Austin joins all Americans this memorial day to remember and reflect on the sactizes made by those servicemen and women who have honorably served our country throughout its history. Whereas it is particularly important on memorial day to honor our fallen heros for their profound contribution to securing our country's freedom and likewise to recognize their families who have sacrificed so greatly. Whereas this memorial day and every memorial day all citizens bear a heavy burden and responsibility to up hold the founding principles so many died

defending. And whereas on this solemn day we unite in remembrance of marine lance corporal roger dale Castleberry, junior, an austinite who was killed in action in Iraq. We pray for him, our military personnel, their families, our veterans and all who have lost loved ones.

[10:35:23 AM]

Now therefore I, Steve Adler, mayor of the city of Austin, do hereby recognize may 25th, 2015 as memorial day. Lance corporal's family I think is with us.

[Applause]. Ladies and gentlemen, please stand for the sounding of taps and the retiring of the colors.

[Playing of taps]. >>

[10:38:41 AM]

>> Mayor Adler: That concludes our memorial day recognition ceremony. Tina Lee, that was beautiful. Thank you very much. And thank you to you and to Allen Bergeron of our veterans office. A quorum is present so I'm going to call this meeting of the Austin city council to order. It is Thursday, may 21st, 2015. We are meeting in the city council chambers here at Austin city hall, 301 west second street, Austin, Texas. The time is 10:39 A.M. Before we begin I want to first --

>> Kitchen: May I make an announcement.

>> Mayor Adler: I'll let you make it instead of me making it.

>> Kitchen: No, no.

>> Mayor Adler: And I can't find Berta's middle name. So we can make the announcement here in case mom happens to be watching on video -- in case mom happens to be watching on TV this morning, we are all excited to welcome as one of our newest residents of the city of Austin, Lourdes Leona Martinez.

[10:40:49 AM]

Councilmember Garza's daughter was delivered yesterday and everyone is doing really well.

[Applause].

>> Kitchen: And she is our honorary eighth woman on the council.

[Applause].

[Laughter].

>> Mayor Adler: We have some changes and corrections, which I am required to read into the record. Items 2 and 41 have been postponed until June 4th of 2015.

>> Zimmerman: Mr. Mayor, I believe we had a couple of people signed up to speak if we'll go ahead and hear them in spite of postponing?

>> Mayor Adler: Yes, if people are here we can go ahead and call them. So people know, item number 7 on may 18th, 2015 was approved by the electric utility commission on a 6-0 vote with commissioner Herbert absent. Item number 24, sponsor councilmember Sheri Gallo has been added as a fourth council. Item number 25, the sponsor list should reflect Casar, Adler, Houston and tovo as the sponsors. Item number 39, councilmember pool has requested that this be postponed to the June 11th, 2015 council agenda. We have time certain for zoning matters, the briefing on tax appraisal review board at

10:30.

[10:42:54 AM]

We can call it up at any time after that. Citizen communication at noon, public hearing at 2:00, and at 4:00. At 5:30 music and proclamations. Jackie Vincent will be with us tonight. We have several items that have been pulled off of the consent agenda. I'm trying to figure out the best way to do this. We have a lot of items that have been pulled, not so much to discuss, but so that a motion to refer to committee might be made. And in the absence of an approval to send it to committee I'm not sure that the items would still be pulled for discussion. But let's go ahead and entertain that universe of cases -- of items so that we can maybe work our way through the agenda. So with respect to the consent agenda, which is items 1 through 28, I think both -- at least Troxclair and Zimmerman have some that have been pulled for the purpose of making a motion to refer them to committee. Which items would those be?

>> Zimmerman: Mr. Mayor, I have a sheet in front of me and I've given it to the clerk's desk there. Showing pulling items 4, 5, 6, 7, 8, 12, 13, 14, 15, 17, 21, 24, 25 and 26.

>> Mayor Adler: Are these the ones you're pulling for the purposes of sending to a committee?

>> Zimmerman: For the most part. There may be I would say three of them for some discussion, but the rest for --

>> Mayor Adler: Can you tell me which ones are being pulled for the purpose of going to committee?

[10:44:59 AM]

I'm --

>> Zimmerman: I believe those are 4 --

>> Mayor Adler: 4, 6, seven, 8, 12 through 15 and 24. Tovo mayor, would you mind asking him to read the last batch again.

>> Mayor Adler: Please check my list. These are to pull for the purpose of moving that they be referred to a committee. It's items 4, 6, 7, 8, 12, 13, 14, 15, 18 and 24.

>> Kitchen: Mr. Mayor, I have one to pull too.

>> Mayor Adler: Also for the purpose of sending to committee?

>> Kitchen: Item number 26, for purposes of some discussion and then --

>> Mayor Adler: Let's hold off on that one right now. What I'm trying to do is just handle those where it wasn't intended that there be discussion, but just a motion to refer them to committee. Ms. Troxclair, was there anything you wanted to add to that list?

>> Troxclair: Yes. Item number [indiscernible].

>> Mayor Adler: Okay.

>> Zimmerman: Mr. Mayor, I would like to make a motion that we move those items to committee so that we could then discussion.

>> Mayor Adler: The motion made is to refer these one, two, three, four, five, six, seven, eight, nine, 10 items to committee.

[10:46:59 AM]

Is there a second to that motion? Ms. Troxclair seconds that motion? Any discussion on taking these items to committee? Mr. Casar, you go first.

>> Casar: I would much prefer that we have a chance to -- I know it will be burdensome, but to go through these individually and idea why we would be sending so many of these items to committee because we should probably know if any of these contracts are urgent. I also believe that at least one of those items is essentially a direction to the city manager to send an item to committee, so I don't know why we would send an item to committee to be talked about to see if something should go to that same committee. I just think that there's a bit of a problem with voting for all of these, and if the councilmember or councilmembers want to make an argument for sending individual ones to committee, I'm very open to hearing that and perhaps some of these should, but the whole batch of them is -- I urge my colleagues to vote against that motion.

>> Mayor Adler: Is there -- let me do this. On the dais is there desire to -- other than Mr. Zimmerman, Ms. Troxclair, you -- is there any interest -- the number you pulled was which number that you added to this list was which number?

>> Number 16.

>> Mayor Adler: Is there any interest in this group on the dais of sending any of the items other than number 16 to start off with -- let me back up. Is there other interest on this dais from other members of sending any of these items to committee? The reason I'm asking is if only one or two people want to send them to committee we could discuss that issue.

[10:49:00 AM]

We don't need to discuss them all because it would be a similar kind of debate. I'm just trying to game on the dais if there are other people. A lot of these are purchasing decisions. They could be sent to a committee and I could understand the argument for that. Also questions could be asked on question and answer. I'm trying to gauge the people feel of the people on the dais and trying to see if there's interest other than Mr. Zimmerman foresending items to committee and if that interest extends to all of them or if it just extends to one or more of them. Mr. Zimmerman?

>> Zimmerman: Thank you. Just to answer a good question that my colleague from district 4 asked. To me there's a difference between having you as the mayor assign the issues to committee under your discretion. So that's why that was put in so that the mayor would be assigning it rather than city manager.

>> Mayor Adler: Okay. Ms. Houston and then mayor pro tem tovo.

>> Houston: Thank you so much, mayor. I of course have concerns about so many of these that identify no subcontracting opportunities identified. So perhaps the committee -- in the committee structure they could flesh out what are the problems with that coming up on every time we have a solicitation and the fact that we do so many sole sources, we send out so many requests and we only get one person back. Something is happening in that process. I don't know what it is. So maybe the best thing is to send most of these to committee. I don't have a problem.

>> Mayor Adler: If this does not go to committee -- we have a lot of purchasing items, including item number 6, which I understand is time sensitive, Ms. Houston, that raises that same concern, I will refer

to a committee the policy question of -- I know those have come up several times and I think it would be a good conversation for us to have in a committee as to why that situation seems to come up a lot, and sometimes on contracts that we don't understand.

[10:51:09 AM]

So in the absence of sending these particular purchasing decisions to a committee, I would send that question to a committee for us to talk about it more globally since it's not just these, it's other ones we've seen as well too. Ms. Pool? Ms. Tovo and then Ms. Pool.

>> Tovo: I like the idea of sending the policy question to a committee and I'll just remind the group when we were discussing the committee structure we did hear from several of the minority associations that they are concerned about that loss of the minority and women owned business council committee because they are concerned that some of the issues that they had faced and some of the opportunities would be lost within the new committee structure. And I believe at that time we committed to them that that would be part of the economic opportunity committee and that there would be a portion of the meeting allocated to addressing some of those issues specifically. So it would seem to me that I would just offer that as a suggestion that that would be a good policy question to talk about because that is exactly the kind of conversation that used to take place at that prior council committee. In addition to looking at the different city projects and the goals and how those were being met. In terms of referring all of these to committee, I can't support that in absence of hearing more about what the policy issues raised by us. I think looking at that issue makes sense, but I don't -- really as councilmember Garza articulated last time, I agree with her perspective on this that we should not -- that the best use of our council committees as I see it is to address matters of policy that require more deliberation than we might have an opportunity to do here on the dais, but I'm not interested in reviewing every purchasing contract that goes through the city in that depth.

[10:53:14 AM]

I think it slows down the operations of the city and that we need to be focused more globally on issues of policy. Policy.

>> Pool: I will say that Casar and I have been looking at the women and minority owned business issue. We have look meeting with members of the organization on how to rework the purchasing process that the city has engaged in for some time. And so that work is underway and it will go through economic opportunities at some point when we have our work at a level where it's ready for additional discussion. I echo the mayor pro tem's concerns about slowing down our work here. I am also not at all interested in litigating each contract. That's the job that staff has undertaken and I would highly urge my colleagues that if you have specific questions about specific contracts, please engage in the question and answer process and have meetings with staff individually so you can dig into it at the level that you need to in order to ask your questions. If the real purpose of pulling these into committee is to slow down the operations of a municipality, I am absolutely opposed to that agenda.

>> Zimmerman: I have a suggestion. I appreciate that. Thank you, Mr. Mayor. On the question and answer, we've been engaged in question and answer on a couple of issues. We put our questions in on

the Monday or Tuesday prior to the work session. We asked some questions. The answers came back the day before the work session. So it took a week to get back one answer.

[10:55:15 AM]

When we got that answer back, we realized that answer opens up more questions, so we have to have more questions. Those take several days. It's very, very time consuming and we're not getting enough timely response. So that's one issue. Let me ask if I could, if staff could make a financial argument as to if there are some distress or timeliness or kind of emergency nature to any of the items, I'd be very happy to pull those off of the committee recommendation if there's an urgent need. So if staff could pull out from this list any items that really need to be decided today, I'd be happy to take those off the committee list.

>> Mayor Adler: Let me see if there's further interest in sending to committee. Let's hold that in abeyance. Ms. Troxclair.

>> Troxclair: I wanted to say the two issues I was particularly interested in were number 8 and number 16 and these were -- number 16 in particular we pulled and attempted to have that discussion in work session, but the decision was made that we would have the discussion here at council and make a motion to send it to committee because several of the -- several of us had questions about that. And number 8 that has to do with Austin energy turbines, it's just a massive amount of money. It's an additional \$14 million to bring the total to over \$40 million that we're spending on this one particular item. And I know although yes, we can't talk about every single purchasing item and every single committee, I think the discussion we've had in a lot of the committees is if it's out of the ordinary or if it's a significant dollar amount that we would like the opportunity to dig into those things a little bit further before we bring them before the full council. Just a quick general note, you know, I think that financial issues are policy issues. I don't necessarily think that just because something is on our agenda that we -- just because it's a purchasing item that we don't have the right to ask questions about the impetus for that item or make sure that we're spending money responsibly.

[10:57:24 AM]

And I want to also emphasize that I think most of the offices who are interesting in asking these questions are asking them through the Q and a process or trying to have the conversation at work session and are reaching out to staff. This week in particular we have -- we are approving in our purchasing items \$98 million with extensions and \$44 million without extensions. So also thinking about this in terms of our budget, all this money that -- you know, that we're -- we are committing this money not just for this year, but -- a lot of these contracts are for 10 years or longer. Which does have an impact on the amount of money that we have available for all of the other priorities that we're talking about in our budget policy session. So those are just my two comments if we can maybe separate number 8 and number 16 since those were items that we did try to discuss at work session this week.

>> Kitchen: Mr. Mayor?

>> Mayor Adler: The first vote we're going to take is about whether or not we send items to committee. It has nothing to do with what's being pulled or not. After we take the vote on whether we're sending

items to committee, then I will then ask what items do people want to ask pulled. So that will be the second thing that we get to. So the conversation we're having right now is on -- the reason I say the reason I say that is, some people that pulled these said I would like to try to send it to a committee. If not, I'm not going to have a conversation, I'll vote against it or abstain. So, on the question that's before us about sending these items to committee, Ms. Kitchen.

>> Kitchen: I'm sorry if I'm not understanding. If I would like to send item 8 to committee but not the rest of them, we're lumping this vote together so I'm unclear how to vote.

>> Mayor Adler: I was asking if there were other interests. You just gave me an indication. To the degree that people are interested in sending Numbers off, I'll pull them out of the larger group.

[10:59:27 AM]

Let me pull eight out, and we'll hear a motion in a second. Are there any to pull out of the larger group owner -- other than eight, other than Mr. Zimmerman, are there other people that would like to pull any particular item? All right. So, I hear an amendment from Ms. Kitchen to pull out number 8 out of that list. I'm sorry, Ms. Gallo?

>> Gallo: I think there was some discussion, also, about councilmember troxclair about 16.

>> Mayor Adler: That's correct.

>> Gallo: And I would also support sending that to committee.

>> Mayor Adler: I'm going to pull eight and 16 out of that list. There was a motion to send to committee items 4, 6, 7, 12, 13, 14, 15, and 24.

>> Renteria: I want 16 to be put back on the list.

>> Mayor Adler: We're going to hit 16 individually in just a second.

>> Renteria: Well -- vote on 16. We're going to pull it or not?

>> Mayor Adler: We'll take a separate vote on 16. For right now, we're taking a vote on the balance. Yes, manager.

>> Mayor, I think you indicated before, but my staff advises advisitem number 6 is time-sensitive. Before you make your decision, I encourage you to hear why they believe that is time-sensitive.

>> Mayor Adler: Okay. I don't think the votes exist to send that to committee. Based on the polling we just took, I'll move to reconsider it if I'm wrong. All those in favor of taking that group I just listed to committee, please raise your hand. Mr. Zimmerman, Ms. Houston, Ms. Gallo, Ms. Troxclair. Those opposed to sending to committee, please raise your hand.

[11:01:32 AM]

So they have me now micked up. And that's because apparently, as I turn my head away from the microphone, people can't hear me, or I speak too softly. If I end up on a YouTube video somewhere because I take this with me to the bathroom --

[laughing]

>> Mayor Adler: I'll forget it's on, and I'm coughing, somebody just needs to point at me and wave, or something like that.

[Laughing]

>> Mayor Adler: There were four votes to send to committee. There were six votes not to send it to committee, with Ms. Garza off the dais. So, now we're going to call up individual ones to see whether or not people want to send them to committee. And the ones we're calling up individually, I think, are items 8 and items 16. So, let's first talk about item number 8. Does anybody want to discuss whether or not item number 8 would go to committee? This would be a time, manager, for staff, if it wanted to say it's important for it not to go to committee, this would be the time for staff to weigh in. But, we're looking at item number 8. Item number 8, Mr. Zimmerman moved that that be sent to -- or Ms. Troxclair said that that should be sent to committee. Is there discussion on whether to send 8 to committee? Ms. Kitchen.

>> Kitchen: I would just concur with councilmember troxclair and others that this is a very large contract. And assuming it's not time-sensitive, I think it is -- and it also impacts decker creek power station, Sam hill energy center, I think it's important that we have a discussion about this. The kind of discussion that we can have in committee, and that's appropriate to committee.

>> Mayor Adler: Could you speak to us on any time sensitivity with this issue?

>> Yes, I can, at a very general level.

[11:03:33 AM]

This is a replacement turbine for the sand hill energy center, one of 6,000 we have there. It's an existing, operating facility. It's critical to the economic well-being of our power dispatch. If we lose a machine in the summertime, this is a replacement. If we don't replace it, we have to provide replacement power. We've run the economics, and I would highly encourage the council to not delay this. We will have several multimillion-dollar power issues that we will be bringing you over a period of time. I would not say this is insignificant, but, is not in a big one. Again, for our existing fleet where actually we have a combination of eight machine out there, so.

>> Mayor Adler: Okay. Ms. Kitchen, and then Ms. Tovo.

>> Kitchen: I would just ask, I appreciate what you're saying. I don't think -- I think we all understand there's a lot of money involved. I hear you saying there will be other issues. It might be helpful to give us more of a heads-up on these issues so we can talk about them in the committee ahead of time. I think that would be helpful to all of us.

>> Mayor Adler: Okay. Ms. Tovo.

>> Tovo: Yeah. I want -- I can see that this -- well. Let me ask this question. Would a delay to next Thursday be an issue? Next Thursday we're scheduled -- oh, no, we're not scheduled. I thought we had an Austin energy meeting.

>> Mayor Adler: We are scheduled.

>> Tovo: Sorry, it's hard.

>> I don't know what we'll get through everything on that agenda. It's just not enough time. We're pushing a lot of material through very short periods of time. It's going to push us into a point where -- I think council knows what happens is, when we have a critical machine that goes out, and we're operating a utility, we can do critical business needs, too.

[11:05:38 AM]

And we have to, maybe, exercise those options. Because we have to run -- we have an electric system that we have to run.

>> Tovo: No, I completely understand, Mr. Reese. I guess what I'm asking is, does a delay to next Thursday significantly impair the work that you need to do in running our utility?

>> Well, there wouldn't be a decision next Thursday. Then it would go to the next council meeting. Presumably -- so --

>> Tovo: Why would there not be a decision?

>> Mayor Adler: We have expanded the meeting. We could post it as an action item on Thursday.

>> That would be a good idea.

>> It's at the will of the council. We understand that. But, we could do that.

>> Tovo: I believe this item does require more discussion. I would be happy to have that discussion here today, though, I my colleagues -- I mean, given what Mr. Reese is saying. If it is a decision that could wait until next Thursday, then that might be a more appropriate context. But, I would say we ought to move quickly on this item. And I wouldn't support a delay beyond next Thursday.

>> Mayor Adler: Ms. Gallo.

>> Gallo: I want to say to fellow councilmembers, one of the things we're talking about with Austin energy for our upcoming agendas for the Austin energy committee is getting a better timeline of the future decisions, major decisions, fiscal decisions that we'll need to make to make sure that we have the lead time to be able to get those on the agenda, and the agenda will be planning accordingly. We have a lot of briefing-type information on the agenda because we're trying to get up to speed. But, certainly, a timeline of future decisions that are going to be need to be made from a fiscal impact are as important, if not more important, than some of these other briefings.

[11:07:38 AM]

So we are working, as we're trying to figure all this out, we are working with the department to get a timeline of the future decisions that will need to be made, and make sure we back those up so they can come before Austin energy and a briefing prior to being brought before the council.

>> Mayor Adler: Okay. Is there a motion to refer this matter to the Austin energy committee for next Thursday, and then to set the action item on the city council agenda for the Thursday meeting immediately after that?

>> Zimmerman: I so move. Thursday meeting, final action before --

>> Mayor Adler: Moved by Mr. Zimmerman, seconded by Ms. Houston.

>> Renteria: Mayor. Are we going to definitely take a vote on this issue next --

>> Mayor Adler: Yes.

>> Renteria: Okay, thank you.

>> Mayor Adler: If this passes, it would be set to that time certain. I hope the people with questions could ask them in the interim seven days, and maybe have their questions answered. There's been a motion and a second. Is there further conversation to postpone the item? To send the item to committee next Thursday, and also set it on the council agenda for next Thursday, as well. Further discussion?

>> Troxclair: I want to comment I am happy if we would prefer to have the discussion now, I'm happy to ask the questions now, as well. If the delay in one week is significant.

>> Mayor Adler: I understand Mr. Reese saying that works as long as it actually happens in a week, is that correct?

>> Pardon me?

>> Mayor Adler: Does a week delay cause problems?

>> No, a week is fine. It's critical for the summer, so.

>> Mayor Adler: Okay.

>> If we have one.

>> Mayor Adler: Any further discussion on this item? All in favor of the motion, please raise your hand. Those opposed. It's unanimous on the dais with Ms. Garza gone. Ms. Tovo, I didn't see how you voted on that.

[11:09:40 AM]

>> Tovo: [Off mic]

>> Mayor Adler: All right, unanimous on the dais with Ms. . Ms. Garza off. That gets us to number 16. Do we want to discuss number 16? Ms. Troxclair.

>> Troxclair: Sure. This is the issue we brought up briefly at work session on Tuesday. It has to do with authorizing a contract for rental car services. It look like the initial amount is 150,000, but the total contract amount would be brought up to 1.3 million. And so I think both councilmember Gallo and I had some questions, especially in light of -- there was some discussion or reduction from staff on Tuesday that I think the contracts expire at the end of August, but we would have a little bit of time to discuss this in further detail if we wanted to do that in committee.

>> Jerry, fleet officer. I think that was a misunderstanding, probably because I didn't present it clearly on Tuesday. This is very time-sensitive in that this is the contract we use to get vans for the summer youth program for parks and rec. And those vans should be coming in already. We run out of money on this contract at the end of this month. The contract term is through the 31st of August. And we will actually be soliciting a follow-on contract. That solicitation goes out on mono. Monday. This is only to amend the amount of the contract that's been in place for three years. It's \$149,000 to add to that. The other money that's identified under that contract, or was in 2012, has already been spent. So this is just \$149,000. But if we don't do this now, then we will be delayed in getting the vans for the summer youth program for parks and rec.

[11:11:42 AM]

And we've determined over the years it's much more cost-effective, because we only need these for a few weeks in the summer, to get them through the rental and lease contract than it is to own those vehicles year-round. That's the time sensitive. We run out of money on the 31st of may. If we don't extend it through this amendment, we won't be able to get the van in for the summer youth program for parks and rec.

>> Mayor Adler: We are now --

>> Houston: Mayor.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you. I want to -- we're thankful that you're using long horn car and rentals, because that is a local car rental agency, when I'm sure there are others out there. So I want you to know I appreciate you using a local source.

>> Thank you.

>> Mayor Adler: The question in front of us, Ms. Troxclair moves that item 16 be sent to a committee?

>> Troxclair: He's saying it's urgent. If we want to have a discussion now, I would be open to that.

>> Mayor Adler: Okay. I'll let you go ahead and pull that.

>> Troxclair: Okay.

>> Mayor Adler: Okay? Thank you very much. The items that have been pulled on this agenda -- everybody needs to pay attention to this, because we have numerous here. We have some items that have been pulled by speakers that are here today. Those items that have been pulled by speakers are number 2, 3, 17, 19, 22, 23, and 25. 26, and 28.

[11:13:45 AM]

In addition to those items that have been pulled by the speakers, it's also been requested -- does anybody have any items they want to pull other than those items?

>> Mr. Mayor.

>> Mayor Adler: Yes.

>> I wanted to pull number 26. Is that already pulled?

>> Mayor Adler: Number 26 is pulled. All right. So the ones that have been pulled, let me read the list again. These have been pulled by speakers. Two, three, five, 17, 19, 22, 23, 26, and 28. And --

>> Mayor.

>> Mayor Adler: Number 25. Yes.

>> Mayor Adler: Yes, Ms. Tovo. Other items you want to pull?

>> Tovo: I have an extremely brief question about 15 and what is an extremely brief amendment to make to 38.

>> Mayor Adler: Okay.

>> Zimmerman: Sorry, Mr. Mayor. I believe somebody was going to speak on the item 4. But I talked to the ems, Tony, he was going to speak on item 4. So -- does he not show up on your speaker list on item 4?

>> Mayor Adler: There's only one speaker, so he would be called to speak on the consent agenda. Because there's one speaker, it does not pull the item.

>> Zimmerman: I will pull the item for additional time for him.

>> Mayor Adler: Okay.

>> Zimmerman: Thank you.

[11:15:46 AM]

>> Mayor Adler: He still gets the same amount of time to speak either way.

>> Zimmerman: I'd still like to pull it. I have a couple questions.

>> Houston: I have a question on 12 for staff.

>> Mayor Adler: Okay. So, 12 is pulled. The two that you had, Ms. Tovo, were 15, and what was the other one?

>> Tovo: 38.

>> Mayor Adler: Which is outside the consent agenda.

>> Tovo: Apologies, just 15 for now.

>> Mayor Adler: Other items between 1 and 28 that councilmembers want to pull?

>> Mayor Adler: There's only four items on the consent agenda.

>> Mayor Adler: All right. So the ones that we're pulling now off the consent agenda are 2, 3, 4, 5, 12, 15, 17, 19, 22, 23, 25, 26, and 28. Are there any others that people want to pull from the consent agenda?

>> Zimmerman: Mr. Mayor, I'd like to move that we approve the consent items that are not pulled.

>> Mayor Adler: There's been a motion to approve the consent agenda. Before we do, we have one speaker to speak on the consent agenda. Rick Freeman. Is Rick Freeman here? Passes his opportunity to be able to speak.

[11:17:46 AM]

There's been a motion to approve the unpulled items on the consent agenda. Did you want to speak?

>> In regard to the action you're about to take, what is the status of item number 6?

>> Mayor Adler: Item number 6, if this vote gets approved, is approved.

>> And I thought that staff indicated that's time-sensitive, is that correct?

>> Mayor Adler: In which case the a-- approval is what staff would want.

>> I'm a little confused, but okay.

>> Mayor Adler: You are not the only one. So, this is a motion to approve items 1, 6, 7, 8, 9, 10, 11, 13, 14, 16, 18, 20, 21, 24.

>> No, I think 16 was pulled.

>> Mayor Adler: 16 pulled? Okay.

>> I'm really confused.

>> Going to Austin energy.

>> Eight's going to Austin energy.

>> Mayor Adler: 16 pulled.

>> Mr. Mayor, did you say number 8? It's been voted to go to Austin energy.

>> Mayor Adler: It's been voted to go to committee. Okay. We are voting to approve items 1, 6, 7, 8, 9, 10 -- I'm sorry. One, 6, 7. Eight has already been sent to a committee. Nine, ten, 11, 13, 14, 18, 20, 21, 24, 27. That's the motion. Made by Mr. Zimmerman. Is there a second to that motion? By Mr. Casar. Ms. Tovo.

>> Tovo: A quick question. I see that our change and corrections item 2 is listed for postponement, but it has been pulled for speakers.

[11:19:50 AM]

Did you intend we would postpone it, or that we would hear from the speakers and then postpone it?

>> Mayor Adler: I was going to --

>> Tovo: Since they're here. I'm not sure how many speakers we have.

>> Mayor Adler: I would let them speak since they're here.

>> Tovo: Then we'll entertain a motion.

>> Zimmerman: We don't need a motion to have them speak, right?

>> Mayor Adler: It's been moved and seconded that list. Any further discussion? All in favor of approving the consent agenda, raise your hand. Those opposed? Ms. Houston.

>> Houston: I'm sorry.

[Off mic]

>> Mayor Adler: That's okay.

>> Houston: On the consent agenda, item number 7, I'm against 8, 9, 10, 11, 13, and 14. Because of the lack of any kind of --

>> Mayor Adler: People want to be shown voting?

>> Zimmerman: I have abstentions. I left a list with the clerk. The item we're voting on, I've noted. The ones I showed pulled that were not are just abstentions. Thank you.

>> Mayor Adler: Okay. And then we have one more speaker on the consent agenda before we can take this vote. Mr. King, David king.

>> Thank you, mayor, mayor pro tem, and councilmembers. I'm speaking on item 24. I'm glad this came forward. I really appreciate this resolution. I think it's very important that we take care of our animals at the animal shelter. And, you know, especially the dogs who are caged for such a long period of time. We wouldn't treat our own animals that way. This is a shelter that represents our city.

[11:21:52 AM]

We should treat them the same way we would treat our pets. Thank you for bringing this resolution forward. It's the humane thing to do. On the other items that come up on the agenda so quickly at the last minute without giving you time to do your due diligence on them, I think there should be a policy that says that these items will be brought to you sooner instead of at the last minute. I'm not sure why some of them come up at the last minute and have to be passed and give you so little time to consider them. So, I would think that we should have a policy that says if we're going to spend above a certain amount of money, those items be brought to you 30 days in advance at least so that you have time to do your due diligence on them. Thank you very much for listening to my comments.

>> Mayor Adler: Thank you. Any further discussion on the consent agenda? Seeing none, all in favor of approving the consent agenda, raise your hand. Those opposed? And we've now taken that vote with the notations from Ms. Houston and Mr. Zimmerman. All right? That got us, then, through our consent agenda. Now we'll work through the items that have been pulled.

>> Okay.

>> Mayor Adler: That gets us to item number 2. Item number 2 is something that is going to get postponed to June 4th of 2015. But we have some speakers that have come here asking to speak. That would be David king and jay Wiley. Do you want to speak on this item now, or do you want to wait until

it comes back on June 4th? You're certainly able to speak now if you'd like. Mr. Wiley, do you want to speak? You have three minutes.

>> Thank you for allowing me to speak. Sounds like we'll have a larger discussion later. I'm here on behalf of an organization I founded all austinites for tax relief.

[11:23:52 AM]

One of the key agenda items for atr is a full 20% homestead exemption this year. The council has the unique opportunity this year to provide meaningful tax relief to so many austinites. And, you know, it's true that this is not a magic bullet. We know that. It's true that this is just a piece of tax relief. You know, there are many things at the state level, legislative reforms, appraisal reforms and things that we could do. We need to do those things. But, this is really an opportunity for this council, now, to act on something that has wide support across the city. You've seen the poll Numbers. More than 70% of austinites favor a 20% homestead exemption. To deny austinites hundreds of dollars, potentially, in homestead exemption relief would really be a missed opportunity for this council. And so, I implore you to enact the full 20% homestead exemption this year. I think it's the right thing to do. You know, as we all know, budgets are not just spending plan. But they're really statements of our values. You can send a powerful statement this year by enacting a full 20% homestead exemption and showing austinites we're serious about meaningful tax relief and really addressing not the whole affordability problem, but a very big piece of it. An important piece you can address this year. I ask you to do the full 20% homestead exemption.

>> Mayor Adler: Thank you very much.

>> Thank you.

>> Mayor Adler: Ms. Tovo.

>> Tovo: Thanks so much for being here today and your comments. I'm not sure if you've had an opportunity to look over the document that the staff have provided that offers proposed service reductions to -- for the city's consideration were we to move forward with a homestead exemption of that size.

[11:25:57 AM]

Have you had an opportunity to review that?

>> I have. And I think that, you know, you have tough decisions to make. And I think -- but I think that, you know, a lot of us are trying to really speak for the folks that pay the bills. And in a budget the size of the city of Austin, you know, over \$3.5 billion, a 20% homestead exemption would be is -- a sliver.

>> Tovo: It's in the neighborhood of \$30 million. The staff have come forward and offered suggestions about where we might look to make up those gaps from reducing the officers that we hire, to cuts in our various other programs. So, those of you who are advocating for those, you know, for reductions in our budget, it would be very helpful to hear what sorts of reductions you would favor to get us to that dollar.

>> It's a statement -- I think we need to realize. This doesn't get talked about as much as it should. The money that taxpayers pay into to the city is theirs first. It doesn't first belong to the city. And so, I think

that what we should do is really start with a 20% homestead exemption and work our way down. And if it goes down, fine. But I think we should start at 20% rather than starting with the lowest amount that the city can afford. Let's start with what taxpayers can afford.

[Applause]

>> This is a big issue for taxpayers. It's hundreds of dollars for the average family in Austin.

>> Tovo: Sure. I completely understand that. And I understand the point you're making about the money we collect belonging to the taxpayers.

[11:28:01 AM]

And obviously, what we do with their money is provide services to them like police officers in their neighborhood. Again, I appreciate the dialogue and look forward to hearing additional feedback about what among those suggested reductions, were we to pursue that path, that you --

>> Thank you.

>> Tovo: Would consider. And I'll also refer you to number 22, which also offers the opportunity to potentially move forward with a plan that could result in as much as a couple hundred dollars of savings for residential owners.

>> In a city with billions of dollars, I think that we shouldn't start talking with public safety cuts. We should start with the bureaucracy we have in city government.

[Applause]

>> That's where we start.

>> Mayor Adler: Thank you.

>> Tovo: Thank you.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Excuse me, I had a question.

>> Mayor Adler: Sorry.

>> Kitchen: I just want to ask a few things. Just because there's a lot of information out there now, and so it's hard for people to keep track of everything. So I just wanted to make sure that you were also seeing that the discussion is -- some of the discussion, at least, is the potential to phase in to get up to 20% over time. Our initial discussions about 6%, if that's what we go with, doesn't necessarily mean that that would be it. That's one of the things that's on the table for discussion. I'm also hoping you're looking at another item which relates to the potential to protest the appraisal of commercial property. That was not well-understood. There's some risk associated with it, but there's also a potential with that, if we were to go forward, to offer some additional relief to residential customers. So, this is all -- there's a lot of information that we'll be discussing. And we plan, and we hope to put out more information that's helpful to the community as we move towards these decisions.

>> Thank you. You're absolutely right. This is a multipronged approach.

[11:30:02 AM]

>> Mayor Adler: Mr. Zimmerman.

>> And the 20% homestead exemption is just one piece of that, but it's an important piece you can act

on now.

>> Kitchen: Okay.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Thank you for coming. I want to congratulate you on the austinities for tax relief. Thank you for starting that up there in district 6. I don't know if you saw, we put out Numbers of the wage increase that was proposed in the budget. Our Numbers show the wage increase could be as much as \$15 million. The budget office says the increase is more like around 7 million. Whatever it is, we showed the bureau of labor and statistics for the last three years data that was available. The median wage increase was only 2.4% for the Austin area, but the Austin employees, non-sworn employees got 9.5% in increases. So, we're talking nearly four times faster rate of growth of city employee earnings versus the rest of the -- so what would you think about that, of drawing down the wage increases and making them consistent with the rest of the area?

>> You know, thank you for that point. There are a lot of ways, if we have the will. The will that the voters have to enact the 20% homestead exemption. If we had the will here at city hall, we could get there. We could get there this year. We know we can. We've just got to have a little bit of courage. I mean, I was struck by the -- you know, that moving tribute to lance corporal Castleberry. The quote said, wisdom is knowing the right path to take, and integrity is having the courage to take it. We can get there this year. We can do it. And it will affect real families, real bottom lines, this year. So I think that's what we should do.

>> Mayor Adler: Mr. Wiley, I'd just add, as you probably know, I was a strong proponent of the 20% homestead exemption as a tool that is available to this council.

[11:32:06 AM]

50% of homeowners in this city own homes that are worth less than \$227,000. 70% of homeowners in this city own homes that are worth less than \$400,000. And a lot of those people didn't pay \$400,000 for the home. A lot of those people paid a hundred, or 125,000. Now the values have increased. So, I'll be voting for a homestead exemption as a tool we can use. I'm probably going to vote, as I had talked about during the campaign, for phasing that in over four years. In part, because -- want 20%, some probably want less than that. And I think it's something that can pass. And beyond that, I think it's significant. And it can be done in a revenue-neutral way that does not require any cuts at all to the services, so that decisions about when we cut or not cut can be made independent of the homestead exemption. And I'm sure on this dais, we're going to have a lot of debates about whether or not to cut services. But that conversation can occur outside of the decision for the homestead exemption. And then the other reason I'm doing it is just technical reasons. If you take a look at how the effective tax rate is calculated in this city, what we do in terms of exemptions this year could have a significant impact on how that gets calculated. I think there would be untended consequences if we made that big move all in that one year. But I appreciate your sentiment and coming here today.

>> Thank you for the opportunity.

>> Mayor Adler: Ms. Troxclair.

>> Troxclair: Jay, when -- I certainly agree with the mayor.

[11:34:07 AM]

And I absolutely support the homestead exemption. I agree with you, property owners, austinites need tax relief as soon as possible. One of the things that we are considering in order to -- one of the proposals before us, one of the options before us is, in order to make a homestead exemption revenue neutral, that would require an increase in the tax rate. And although a homeowner would -- it wouldn't completely offset any benefit they would receive, it would reduce the benefit. Increasing the tax rate would reduce the benefit they would be able to realize from any -- regardless of the percentage, any homestead exemption that we enact. Do you or your organization have feedback on the option of increasing the tax rate in order to keep this proposal budget-neutral?

>> The folks I've talked to are not in favor of that. They're not interested in that at all. I think there's -- the folks in our organization, that I talk to all the time, are not as interested in, you know, a lot of the bureaucracy.

[Chuckling] And a lot of the staff that you see here at city hall. It's -- you get into a little bit of a bubble here under this roof. And a lot of -- it becomes sort of an inertia. The more staff that's added, the more work that's created for them, the more bureaucracy swirls around. It's so divorced from the real lives and the real bottom lines of so many taxpayers in Austin. And the folks that I talk to are just -- can't afford it anymore. I mean, we see that all the time. People are moving. We talk a lot about the 160 or so people a day that move to Austin, but we don't talk about the 50 of so people that move out of Austin because they can't afford it anymore.

[11:36:09 AM]

And so, those are the people I'm interested in speaking up for. Those are the people who are eager to join our organization, and the people that I talk to all the time. And so, you know, if there is a reduction in staff, or services kind of on the margins -- we're not talking about public safety and core services, we're talking about things on the margins. If we took a good look in the mirror, we can realize that we can do without many of the things the city is involved in. If we do that and take a real close look at those things, then we can do a 20% homestead exemption tomorrow. We can afford it this year. We really can.

>> Aaron, you would support enacted a 20% homestead exemption this year without an increase in the tax rate?

>> That's right.

>> Troxclair: Okay.

>> Mayor Adler: Any further conversation? Ms. Gallo.

>> Gallo: Thank you for being here, and your comments. You know, it's interesting to me. I come from a business background. I've run a real estate company for 30 years through three cycles of up and down economy. And part of the thought process in running a business is that you always want to try to do things more efficiently. You don't always have the ability to continue to spend, and spend, and spend. And I think we all heard very clearly during the election cycle last year that the citizens of Austin are really being tapped out. And they're really concerned that there's out-of-control spending going on at city hall. And it concerns me when we say we can't do a homestead exemption or we have to raise taxes

because if not, we'll be cutting services. And I don't think that is truly the answer. I think that we have an incredibly intelligent and creative staff in all of our departments that when tasked and asked, can find more effective and efficient ways to do what we're doing. So, as we go through this process, I just want to move the conversation from saying to the public in order to do this we have to cut services.

[11:38:14 AM]

Because I think the first thing to consider is how we can run the city more efficiently. So, I do think we all have this conversation. But we've got a staff that I know can come up with really great, creative ideas to be able to run our departments so efficiently and effectively that every year we're not having to increase the cost in utility and tax bills to our citizens. So, thank you for being here and reminding us that we need to keep having this conversation.

>> That's well-said. I appreciate that. Families have to do that every day, every day. Thank you.

>> Mayor Adler: Thank you. Mr. King.

>> Is this mic on? Thank you very much for letting me speak for a second here. I appreciate the conversation here. We definitely need to be as efficient as we can be. We can't forget that this city has a dichotomy of income inequity where some people are doing very well, and they own these multimillion-dollar houses that are going to benefit greatly from this 20% reduction. And those that are low and moderate-income families are not going to be helped out by this.

[Applause]

>> We can't forget about those people. We are talking about cutting services. So, these other, very wealthy, you know, successful people can get the benefit? And then cut services for those who are struggling to make it. So, I think we cannot forget about that. And what we should be considering is targeting these strategies to help people like seniors. Why don't we put a cap on the increases on their property taxes? Target those people. Those are the ones that are being pushed out to the I think edge of our city. Let's be careful about how we proceed. I'm for this property tax reduction. I'm for being efficient. But let's do this in a way that doesn't push out our low- and middle income families.

[11:40:17 AM]

Let's not forget about them, and let's help them.

>> Mayor Adler: Thank you. Those were all the speakers we had on this item. It's postponed to June 4th without objection. I would add that in terms of policy, when we have a postponed item, we let the speakers speak today because they were here. But I want to just say from the dais that I'm reserving the opportunity to propose a control, if we have ten items or 15 items, if we were checked for time, I may limit the speakers that speak on items that are postponed, recognizing that they have an opportunity to come back. So by what we did today, I didn't want to imply that that's how I would be handling that every time hereafter, looking for the agenda and the number of times we have. That's item number 2. The next thing on our pulled agenda -- we have some items that would ordinarily bring a lot of speakers to come and speak. I think we have two such items today. But the speakers have agreed to limit the number and the time if we'll call them earlier in the process, which is something that we did a week or two ago. I think Mr. Casar, you have two such items. What are those Numbers?

>> Casar: Those are items number 23 and 25.

>> Mayor Adler: Okay.

>> Mayor Adler: I'm showing on on -- there it is.

>> Casar: Some of those speakers have agreed to speak for 45 seconds or 60 seconds.

>> Mayor Adler: We have more speakers than the ones you anticipated. 23 and 25. It would be my intention to call them first, so that we can take advantage of the abbreviated speakers.

[11:42:24 AM]

But before I do, Ms. Tovo?

>> Tovo: Thank you, mayor. I had pulled item 15. I've been able to resolve my questions with staff, and so I would be ready to move approval of that item. We don't have any speakers signed up. It was on our consent agenda.

>> Mayor Adler: It's been moved to approve item 15. Seconded by Ms. Pool. Any objection to approving that item? All in favor, raise your hand. Those opposed? Unanimous --

>> Zimmerman: Mr. Mayor, I'd like to be shown in opposition. I had an argument against that. In the sake of time, I'm not going to go there. I'm just going to vote against.

>> Mayor Adler: The vote is 9-1-1, with Ms. Garza off the dais. Or 9-1, with Ms. Garza off the dais. All right. So I'm going to call up items 23 and 25 at this point. We have six speakers on both of these items. They appear to be many of the same people. So, when I call the name, if it's possible for folks to address both those, that would be encouraged. But I'm going to call first item number 23. Mr. Peña is the first speaker.

>> Good morning mayor, councilmembers, Mr. City manager, Gus Peña. And I have been able to speak on 23 and 25. I'm sorry?

>> Mayor Adler: Happy memorial day.

>> Thank you, sir, I appreciate my color guard. I served with the marine divisions. Anyway, item number 23, and 25. Councilmember Casar, I want to thank you for sponsoring this. And sponsors, you hit it light right on target.

[11:44:28 AM]

We talked about this, homeless people and workers that don't have a sustainable livable wage to live.

And, you know, pay the rent, etc. We're here to support you. Veterans, we're working on a 501c3, cofounder, 4510 strong. We support you on this, Mr. Casar, councilmember Casar, right on target.

Number 25, people that have background, you know, dumb mistake sometimes, but we can't continue to hurt them. They're good folks. Sometimes they make bad choices. Anyway, strongly support this, councilmember Casar, and all the cosponsors, mayor, please vote positively on this one. Thank you.

>> Mayor Adler: Okay. The next speaker we have is James Gaines. Mr. Gaines. The next speaker we have is bob ballot. Take your time.

>> Mr. Mayor, I'm bob, the leader with Austin interfaith. I was honored to represent them on the living wage stakeholder group. Thank you so much for bringing the resolution forward. It is a great start to what was described as a measure to assure that those who work for the city of Austin could meet their

basic needs. The living wage pay rate was set at \$11 per hour. That was a fairly bold move at the time, but it was doubtful it was sufficient to meet basic needs. Today's rate of \$11.38 an hour does not allow workers to meet basic needs. The living wage stakeholder group discussed the concept with mit professor Dr. Paul.

[11:46:30 AM]

He warned us we would not be successful with a proposal for a true living wage, since a study would yield a rate of more than \$30 per hour. Clearly, unaffordable to the city. He urged us to move on to steps that were based on accepted data, were affordable, but moved the city aggressively towards a wage policy to provoke the most effective workforce possible. We chose to look at poverty guidelines, local cost of housing, wage floors, at other public entities at Austin and actions by other cities. Our recommended goal is based upon the current cost of housing in Austin. We concluded reaching the goal this year was unaffordable, given our understanding of city budget priorities. So, we recommend that the city take incremental steps to reach this housing-based living wage by 2020. The recommendation for the upcoming year was calculated based upon poverty guidelines, and is lower than the current Austin community college wage for its employees. But, it's thought to be affordable. Stepped to reach the living wage goal by 2020 would be large. After that indexing, based on changes to the cost of living would be appropriate. As we develop these recommendations, we find that with every interim decisions comes a new set of questions. As a result, we have recommendations as to who should qualify. We address needs for pay grades. Our proposal also aims to eliminate any incentive to outsource job. We propose actions to improve enforcement of wage rates for contracted work. We'd be thrilled to be a part of future discussions. Thank you.

>> Mayor Adler: The next speaker that we have on this item number 23 is David king.

[11:48:42 AM]

>> And Mr. King, Mr. Mayor, I notice he's signed up for both item.

>> Mayor Adler: Yes.

>> Casar: And so, just in the interest of time, I promised my colleagues we'd get through these quickly. If you could speak to both of them, that would be great. Thank you for your support.

>> You bet. Thank you for sponsoring these items. Number 23, we need to implement a living wage. What we're talking about right here, going from \$11.39 an hour to whatever, \$13 is still not a living wage. We need to look at it in the context of reality. We need to credit the minimum wage and set the standard. Los Angeles just increased their minimum wage to \$15 an hour.

[Applause]

>> Other cities across the nation already have \$15 an hour. San Francisco, Kansas City, Missouri, Washington, D.C., Seattle, and New York City all have a minimum wage of \$15 an hour. We need to do right by our employees of our own city and set the standard for a business community. And just like Henry Ford did, decades ago, he realized you have to pay your employees enough they can afford to buy the products and pay for the services they need to live. That's a simple model. What we're talking about right here is going to move us closer to that but not get us where we need to be, which is a livable wage.

I hope the city will establish a livable wage policy for the city. Regarding item 25, for a chance at hiring practices. You know, a conviction is like a scarlet letter that sticks with you forever. And we should stop that. We should give these people an opportunity. They're qualified for these jobs, to get the job. And improve their lives. So, thank you for bringing these items forward, councilmember Casar, and I hope the whole council will support these unanimously. Thank you.

[11:50:44 AM]

[Applause]

>> Mayor Adler: The next speaker is Emily tin.

>> Good morning, council, and thank you for the opportunity to speak on this item. Oh, there we go. Thanks. I want to thank councilmember Casar and the cosponsors, councilmember Houston and mayor Adler, and others, for bringing forward item 23. I am also speaking in support of that item. In particular, I want to speak just briefly about two particular points that are going to be coming forward with the recommendation that was made by the livege wage stakeholder group. I also participated in that group. And bob mentioned these briefly, but I think it's very important that council think about not only this resolution, but also taking action on two very important loopholes that will undermine our ability to implement a living wage, or to take this first step towards a living wage if we don't address those loopholes as well this fiscal cycle. Those have to do with also increasing the living wage of employees of city contractors, and making sure that we are not -- that it's not possible for city contractors to simply subcontract out to get out of paying that living wage. So, looking at extending that provision to subcontractors of city contractors in order to close that loophole. The other piece that I urge council to look closely at is to think about how this wage can be applied to workers who are earning under a current living wage on city construction sites. And that is something, there are workers making less than a living wage, based on prevailing wage rates. Raising them up will have a huge benefit for workers, and making sure they can meet their basic needs of their families. I do want to say that that is an incredibly important action, and that the city has been very forward-thinking in the past, thinking how city dollars can go to create job that allow families to get by.

[11:52:52 AM]

This resolution today and next steps will hope to move that conversation forward and up-hold those values that we have as a city. Thank you for your attention to this item. I hope council will support item 23 and take a closer look at the items I brought up today. Thank you.

[Applause]

>> Mayor Adler: The next speaker is Mary Lou ortuso.

>> I'm going to provide translation.

>> [Speaking foreign la language].

>> Good morning, I'm a remember of workers' defense project.

[Speaking foreign language]

>> I am in support of item 23 because it is very, very expensive to live in Austin.

[Speaking foreign language]

>> I support raising the wage for city of Austin employees who make less than a living wage that allows them to live with dignity.

>> [Speaking foreign language].

>> I thank you for taking this first, very important step.

[Speaking foreign language]

>> We hope that the city will look into also applying this wage to construction workers and to employees of contractors of the city.

[Speaking Spanish]

>> Thank you for letting me speak this morning, and I hope that council will take action on this very important issue.

[11:54:57 AM]

[Speaking foreign language]

>> Thank you very much.

[Applause]

>> Mayor Adler: That concludes the speakers that were signed up on item 23. I think that some of the speakers have already spoken on item 25 as part of their earlier testimony. I'm going to ask for the speakers now on these items. Mr. Peña, you spoke on both. Thank you. James Gaines, I think was not here. David King, you have spoken, okay. Laura Sovigne?

>> Good afternoon, I'm Laura, chair of the Austin Travis County Reentry Round Table. I'm here on behalf of the Round Table to proudly support item 25. Thank you to Councilmember Casar for introducing this item, and Mayor Adler, Mayor Pro Tempore, and Councilmember Houston for cosponsoring it. The Round Table formed in 2004 as a coalition of organizations and formerly incarcerated persons with the knowledge that 95% of offenders eventually return to the community. Our mission is to promote reintegration of individuals with criminal histories. Stable employment is an important predictor of reentry success. The stigma of a criminal record represents a significant barrier to employment. Formal and informal barriers to employment do not just affect a select subset of formerly incarcerated individuals. 70 million Americans live with a criminal background, 12 million in Texas. Jobs are critical to success. The most negative determining factor contributed to recidivism is a lack of employment. Individuals reentering the community face significant challenges to reintegration, including difficulty finding stable employment.

[11:57:01 AM]

A recent study found putting 100 formerly incarcerated persons back into work would increase their lifetime earnings by \$55 million, increase their income taxes by \$1.9 million, and boost sales tax revenues while saving more than \$2 million annually by keeping them out of the criminal justice system. The Round Table is a key partner in community conversations in 2007 and 2008 that led to Travis County and the City of Austin changing their employment applications so job applicants no longer have to disclose their history during the initial phase of the process. We are proud our city and county are leaders on this issue. Now it's time to discuss how our community can set the bar higher in order to

support more stable families, safer community, and less public assistance debt. We're proud to be listed as a partner, and look forward to participating in the stakeholder process. As advocates already are, all local job applicants are judged on their qualifications for the job and not on their criminal histories.

Thank you so much.

[Applause]

>> Mayor Adler: Thank you. The next speaker is Brian Mcgovern. Jerry Stevens on deck..

>> Thank you, mayor, council. My name is Brian mcgiver, I'm an attorney with the Texas civil rights project. I'm here because item 25, fair chance proposal, goes to the heart of an important, really critical issue in the country's ongoing struggle to protect civil rights. Many, most of you, perhaps all of you have heard of the book which has become a phrase "The new Jim crow" which has largely become a reference to the massive increase in the criminal justice system since the 1970s, an increase which has been the result of funneling more and more people into the criminal justice system, people convicted of nonviolent crimes, people who are overwhelmingly young and people who are overwhelmingly never be convicted again and people who are disproportionately people of color.

[11:59:35 AM]

It's a bat bad system, a system that does a lot of bad things, including creating criminal histories which stigmatize people for the rest of their lives. No metaphor how much a person may have changed, no matter how much a person may want to provide for their family, no matter how much a person may simply want a place to live and a place to work, for the rest of their lives, D -- which burdens them, often prevents them from doing any of those things. The status quo we have is a status realized on preconceived notions, which means it's unfair. It is a system that shrinks our economy, which means it's bad for our pocket books. And it is a system that ultimately can contribute to revisittism, which makes us less safe. The take away is discrimination is not simply bad because it -- it injures our community as a whole. Fortunately there are things we can do to help fix it. The fair chance proposal is one very important way to do that. Jurisdictions across the country have adopted policies very similar to our identical to this one. Jurisdictions that are both Progressive and conservative because it's not a partisan issue. It's a question of smart policy. This is a smart policy. And you should approve. Thank you.

[Applause]

>> Mayor Adler: The next speaker was Gary Stevens.

>> Thank you, mayor, council. My name is Gary Stevens, vice president of technology with green stream international. Green stream international is a global logistics company headquartered here in Austin, executive team made up primarily of people not from Austin but very proud to be doing business here.

[12:01:42 PM]

We have offices here but Kentucky as well as Hong Kong. We specialize in consumer electronics and provide not only the logistics for companies manufacturing consumer electronics but reverse logistics as well. We're a certified recycler, take the goods back in, recycle them and none of them go into the permit. The reason I'm here to speak to you today is the policies in item 25 have been a founding part of our business from the very beginning. We do not discriminate on any grounds, anyway at green stream.

We hire people who have criminal backgrounds, handy caps, what have you, it is not part of our hiring policy. The most important thing is applicants are honest on their applications and if they are they will pass the background check with us. We have segments we cannot have convicted felons in but for the most part from the executive level to industry level are available to anyone with any background. We not only provide stable, safe employment but we proud to say we pay minimum livable wage for Travis county. We do not pay minimum wage at any level. We like to think of ourselves as doing the good work behind the scenes. This is rare for us to step into the light and do this but I felt it was important to come and support this and to support y'all as my adopted home city and the city I'm proud to do business in. It should be noted this policy is implemented in a company that does revenue in excess of \$60 million and upwards of \$100 million a year, a number we're have you proud of with these policies. With that I'll close. I thank you all for the time. Thank you.

[Applause]

>> Mayor Adler: That concludes the speakers that we have on both items 23 and 25.

[12:03:43 PM]

Mr. Casar, you want to tee us up on item 23.

>> Casar: Yes, can I move approval of item 23 and speak to an amendment that I passed out?

>> Mayor Adler: Okay. You have an amended resolution that's been passed out?

>> Casar: Yes, I'd like to move approval with the clarifying amendment.

>> Mayor Adler: Mr. Casar moves adoption of the resolution that's been handed out on the yellow pages. Seconded by Mr. Renteria. Do you want to speak to your motion.

>> Casar: First I'll speak to the intent. The resolution asks the city manager to consider including an increase or reconsider the city's minimum wage in the proposed budget. The resolution does not stipulate what that minimum wage should be. That has been studied heavily by the stakeholder group kind enough to send representatives here today and by our own human resources department that sent us a great memo about this recently. I think during the budget cycle we'll really be aware -- the policy making will meet the road for this council because we'll be looking at various options for what that minimum wage could be this year and we will also have to consider which employees to extend it to because the cost of raising the minimum wage me city from 11.39 past \$13 is actually very small, when we begin extending it into temporary employees and finding out which or if all should receive that sort of raise that we would see any sort of substantial fiscal impact. There's no fiscal impact do this resolution. It is initiating a process to review it in the budget. That's what the clarifying amendment does, doesn't change what the resolution does at all but it clarifying to the public the minimum wage would not be increased by this resolution because we would have to increase it in the budget and hear our staff's recommendation as to what that wage should be.

[12:05:45 PM]

I think the -- some of the points brought up by the stakeholders are also very important about contractor, subcontractors, and both the construction and non-construction realms. My understanding from purchasing that we do require all contractors do work here in Austin and on city facilities to pay a

living wage but there may be opportunities for loopholes as were discussed if subcontracting occurs with labor. We should perhaps examine that in future committee hearings or future resolutions and the same would apply to our construction contracts. So I'm happy to answer any questions, but I think this resolution is just an important step for this council to take to announce to the city as the city manager but also to our residents as a whole that as we go into this budget cycle that we care not just about the large capital improvement budgets or hiring of new employees but also how our lowest wage employees here at the city are doing.

>> Mayor Adler: Further discussion? Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. I wish to speak against this item, and I want to go back to definitions and kind of the idea of what we're trying to do. I just looked up the minimum salary. You might think of it as a living wage for NFL rookies. They get \$435,000 per year is their minimum pay. So that got me thinking, well, if you're an NFL player, your minimum livable wage is \$435,000. So it got me thinking, why are we talking about a limited wage as to what it is we need to live on versus what it is we're able to contribute? The reason most of us can't earn \$435,000 is because we're not NFL football players, don't have the physical talent and ability to do that or the youthfulness or what have you. So I've got two objections with what we're doing. The first thing, we're talking about trying to come up with a number that people can live on instead of what are people worth according to their abilities and talents in the market.

[12:07:51 PM]

And the second thing is I don't understand how it's even potential to conceive of an accurate definition for living wage because there are many -- there are as many living wage Numbers we could come up with as there are people. Every one of us would need a different number for our minimum wage for -- for our living wage. It's a definition that kind of escapes accurate description so I can't support this because it seems like we're trying to define something that can't be defined.

>> Casar: Mr. Mayor.

>> Mayor Adler: Further discussion on the dais? Mr. Casar.

>> Casar: And just brief response. I understand your frustrations, councilmember. It is very difficult to find a living wage and I thought that Mr. Batland did a great job of letting us know our aspirations will be always be greater than what it is we can afford. I believe we have a philosophical difference, in that I believe the market will not always value people as they should be valued and I want do my best to value all our employees and believe regardless how much the market may deem they're worth I believe they are worth a great deal, just as much as you or I and I want to make sure we pay them the best that we can.

>> Mayor Adler: Further discussion on the dais? Ms. Troxclair.

[Applause]

>> Troxclair: So looking at the new language, I just -- I certainly understand councilmember Casar's position and think that it is an issue worthy of discussion during our budget process, but I am concerned about the second be it further resolved clause that talks about not this budget process but directs the city manager to include increases for minimum wage in future budget proposals. I'm really uncomfortable making any kind of commitment or policy statement beyond the budget that's in front of

us. It's not something that I have seen in front of this council before.

[12:09:52 PM]

I didn't think that it was something that -- I didn't know that we were able to do that or -- I haven't seen us do that yet, and so I have really -- some concerns about that clause.

>> Casar: Mr. Mayor, if I may respond?

>> Mayor Adler: Yes.

>> Casar: Certainly. We cannot -- within my understanding of how the charter works and our relationship with the city manager direct that the city manager include anything in a future budget proposal. But what this essentially would do is make it so that every year the city council does not consider to come back and redo this resolution, but rather that for now the standing policy would be that a majority of the city council would like to see that minimum wage considered and increases be considered on a yearly basis so that the city manager can know that moving forward. Of course the increase could be 1 cent or it could be one dollars but the idea being that we are not -- and the intention of this is not to direct the city manager to do so -- is not to direct the city manager on what to do but rather to show what our intent and values are. So we have, you know, various resolutions and policies that give ongoing year after year direction to the city manager as to our desires and our priorities are that can be incorporated budget cycle after budget cycle, that we want to keep the parks clean, the streets safe. We have general policy stances that I think the city manager would appreciate to know where it is we're coming from and of course it's not giving direction on how much to increase it to but so that he knows where the majority is coming from on our our basic values are.

>> Troxclair: Okay. I still am concerned about that particular -- I understand, again, where you're coming from in setting a general -- sending a general message or tone or priorities, but I just -- you know, the issues and policies and priorities that we face change on a year -- I don't know how -- I don't know what kind of issues and policy questions we're going to be facing next year and the year after and the year after and so I'm -- for that reason I'm not going to be comfortable supporting it, but I appreciate your interest in having the policy discussion during our budget discussions.

[12:12:15 PM]

>> Mayor Adler: Further conversation? Ms. Pool.

>> Pool: Councilmember Casar, I support this revised resolution, and I am one of your cosponsors, and I also appreciate the fact that you're adding some additional direction so that in future years the city manager is clear on the fact that we would like to continue to consider this metric and I also recognize that it doesn't obligate any of us to anything except for to have that information provided to us for the budget. And I will be voting in favor of this resolution.

[Applause]

>> Mayor Adler: Ms. Tovo and then Ms. Houston.

>> Tovo: Yeah. I just wanted to say I'm also going to support this resolution, with the amendment that's been made. And I would -- was part of -- cosponsor on both of the resolutions referenced in this one, including the resolution that established the living wage task force. And I just want to thank -- I know we

have several representatives of that group here today and I want to thank them for their great work and all of the other members who have been really looking at this issue carefully and deliberately and providing us with recommendations. I also want to extend my thanks to the cosponsors of the resolution that's before us today. I think it's very important action that this city set standards for how we're going to compensate our very valuable public employees.

>> Houston: Mayor, I'd like to call the question.

>> Zimmerman: I'll second that.

>> Mayor Adler: There's been a motion to end debate. Any objections to ending debate? Then we'll take a vote. All in favor of item 23, please raise your hand. Those opposed? It's all on the dais voting yes. Voting no Zimmerman and off the dais Ms. Garza. Next item is item 25. You want to tee us up on that?

[12:14:20 PM]

>> Casar: Gladly. Thanks again to my cosponsors on that item and also this one. Item number 25 is giving the green light to the city manager to convene a working group that I hope can create very -- bring forward a tool kit of policy options to the economic opportunity committee for fair chance policies. We do have a great fair chance policy here at the city and I've been really proud of getting to meet some of the H.R. Professionals here at the city that have worked for Mark Washington and for the city manager on having the policy for our city since 2008. Cities across the country have begun expanding this into the sphere of private employment and I appreciate the gentleman from Green Stream to speak about how many of our private employers are already complying with fair chance firing policies. So this item would create that stakeholder process, study those laws, bring them back to the economic opportunity committee. We would not be considering barring employers from running criminal background checks but rather making sure that's later in the process if necessary. So everybody gets a fair shake. And so thanks to each of you, and I'm happy to answer questions before we move forward.

>> Mayor Adler: It's a little after 12:00 now. I'm trying to gauge the amount of debate we have on this. Let's see how much discussion we have before we move to citizen communication, but number 25 has been moved by Mr. Casar. Is there a second on that? Second from Mr. Zimmerman. Is there any further debate on number 25? Mr. Zimmerman.

>> Zimmerman: I'd like to speak in favor of item 25. I think we have had -- here in central Texas and Travis county, appears to be successful from the data I've seen. I'll be voting in favor of this item.

>> Mayor Adler: Any further debate? All in favor of item 25 please raise your hand.

[12:16:23 PM]

Those opposed. It is 9-1-1 with Ms. Troxclair -- 9-1 with Ms. Troxclair voting no and Ms. Garza off the dais. I would add parenthetically to both the discussion on 23 and 25 I support them both. As indicated environmental from a process standpoint, as we discussed at the working session on Tuesday, as we work through how we're doing these things, a lot of times these policy conversations are best to come up in the committee structure rather than here and then again at the committee structure and then potentially here back again. I know we're all trying to work in that direction, which is good. I'm going to move us now to the citizens communication element of the agenda. Mr. Pen yeah, you're -- Mr. Pen

yeah, Penya, you're up first.

>> Gus Pena, proud units Marine Corps veteran, first, third, fourth marine division. You saw my color guard earlier, memorial day is this coming Monday. May 25, 2015. Heavenly father, today we have remembered those who have served our country with honor and did he vogues, especially those given their lives. We praise you for the sacrifice, peace, liberty, security we have to worship you. Use us also as your instruments of peace and love as we serve you and others, in Jesus' name we pray. Amen. Mayor, councilmembers, I I will now turn it to my buddies that died in Vietnam. The first one Ronnie [indiscernible], classmate, Alex [indiscernible], Johnston high school.

[12:18:27 PM]

It is an emotional day for me, but I would thank you all very much, Mr. Mayor, for the color guard. I thank you for the recognition of those who have fought to preserve the life, liberty in prosecute of happiness of all countries and nation that's need help. Mayor, councilmembers, I would say this also, we strongly need to support the families also that -- of the survivors, actually, and it is very, very important not to forget what memorial day is all about. It's not just barbecues. It's also about remembering the service members that died, World War I, II, revolutionary war, cranny war, the cranny war veterans that are forgotten, Vietnam veterans forgotten, Iraq, Afghanistan, Beirut, Lebanon, 1982. We can't forget the murderous idiots that killed my brothers and sisters. Mayor, councilmembers, I would like to say this also, memorial day is to remember those military personnel who made the ultimate sacrifice. All my buddies from Johnston high school, Wiley Guerrero, Toby Rodriguez, booker T. Lofton, Alex Quiroz. I miss you. Mayor and councilmembers, I would like to say this. Thank you for all the accolades to the people but remember also they fought for our country and their survivors deserve respect. The last item I would like to thank Mr. City manager Marc Ott for the outstanding service he has provided. I come forth not only to you councilmembers about the plight of the single women veterans homeless with children, single women with children that are homeless, I go to the man city manager, Marc Ott, who I have a lot of respect, he's never sent me to an inappropriate direction. The units, the organizations, whatever. So, Mr. Ott, we -- I as cosponsor and cofounder of veterans for progress have something special for you from our military organizations.

[12:20:31 PM]

Let me finish, please, because I never go over. This man has respect for everybody. Men, women, children, whatever. And for them to question his integrity and respect for people, I get angry to hear something that he doesn't llp women. That is a bald faced lie. I thank you, Mr. Marc Ott, because you have been supportive of women's rights, men's rights, children's rights. To my heart, and veterans' rights. Anyway, I want to thank you very much, Mr. Mayor for allowing me to --

>> Mayor Adler: Thank you very much.

>> May I approach, give something to Mr. Manager? May you approach?

>> Mayor Adler: Yes.

>> Mayor Adler: The next --

>> This is given to you by our Marines and our service organizations. Thank you very much for service to

our country and thank you very much for the --

[applause]

>> Mayor Adler: Thank you. Sylvia Servin. Sylvia Servin is the next speaker and Kathy green is on deck. Mr. Renteria?

>> Renteria: I wanted to let the audience know also today I went to a press conference that was announced at general motors had donated \$1 million to habitat and what they're doing with that \$1 million, they're living 11 houses for our veterans. So I just wanted to announce that.

[Applause]

>> Mayor Adler: Okay. Thank you, GM. Okay. Ms. Servin.

>> Pleasantries. I'm here today because y'all didn't do your homework. I had requested from you last time. You may say it's not homework because you don't do it at home. Well, the last time I was here, I requested for the concrete median on the west side of I-35 and William cannon between taco ca ban in a and kfc be painted yellow. The concrete sticks out a little and the lane curves somewhat and drivers tend to hit it as they cross the overpass.

[12:22:32 PM]

A small part of the concrete needs to be shaved off, cut off, reflectors could also be used. It's a hazard. I had also requested restriping at 1200 east Ben white. That's the westbound turning lanes nap was a simple task, a test, and you flunked. Now it takes all kinds of people to make this world go around and I'm one of them. And I know I can be rude, and that is because you need a rude awakening. You chose to be up there. Now, there are people here at your disposal, city employees to help you solve problems. They're supposed to make you look good. Maybe you didn't get the memo notifying you of this. Now, which one of you is going to step up and take the initiative to get this done? Because it's a safety issue. Now about stand by. I had also requested for there to be standby in case someone didn't show up for citizens' communication and if someone wanted to speak they could do so without having preregistered. I called last session. I would have been speaker number 10 but I was told that because I hadn't preregistered I couldn't speak and then there were only nine speakers. What a waste. I know it's because the agenda has to be printed up, et cetera, but it's more important for people to speak. Now think about it real hard. Because as a delegate, I can introduce anything I want to as a resolution, and I just may decide I want this bad enough. Then it could become federal law and supersede local law. I tell you this much, I spoke to you as senator Ted -- before he became senator and he made me a promise to my face, and he's kept it. I rest my case.

>> Mayor Adler: Thank you, ma'am. Kathy green.

[12:24:33 PM]

John John goldstone is on deck.

>> Good afternoon. Mary mayor Adler, councilmembers, thank you for the opportunity to speak to you today. My name is Kathy green, and I'm the director of public policy and advocacy at the capital area food bank of Texas. As you are aware, school will be out in a few weeks. In Austin ISD and several surrounding school districts, we have a majority of students eligible for free and reduced priced meals at

school. Here in Travis county, one in four children under the age of 18 are food insecure. During the summer, these students do not always have consistent meals, and that is where the food bank comes in. For the sixth year in a row capital area food bank will be sponsoring summer meal sites truce Travis, bastrop and Williamson counties. Children eat for free at these sites. They just have to show up. At 36 of these 50 sites we will also be distributing backpacks of shelf-stable food for kids to take home over the weekend. We will be working with several community partners, including the housing authority of the city of Austin, the housing authority of Travis county, the ymca, and ACC. We will start our meal service the week after school is out, and we appreciate your help as city council members in reaching out to people in your districts to let them know about the availability of free and healthy meals this summer. One of the biggest issues that we face with the summer meal program is that people don't know about it and of the kids that participate during the school year, in the free and reduced priced meal program, only about 12% of those kids show up in the summer. So we know there's a lot of kids that could be accessing these meals that aren't. All folks have to do is call 211 to find the site nu nearest to them or call the food bank and we can direct them where they need to go.

[12:26:39 PM]

Last summer we served over 29,000 meals to kids and over 5,000 snacks and we have to do more this summer so we just appreciate you getting the word out for us. Thank you.

>> Mayor Adler: Thank you very much. John goldstone.

>> Kennedy is on deck.

>> Mayor, councilmembers, my name is John goldstone. I'm a renter and landlord in the city of Austin. On may 14, 2015, Andrea Lim wrote an article attached with the horrific and predicted headline of homeless break would hurt renters, it investigated some of the Numbers put out by city of Austin regarding homestead exemption. Turns out there's not a giant pot of money to be given back do these homeowners, as I stated in my last citizen communications you cannot try a fancy allocation in order to say you are not raising taxes on everyone else, specifically including renters, who comprise 55% of the city's population and overwhelming majority of Austin's poor residents. Today in the stanceman is the editorial of bad smell, sporting a homestead exemption, filled with lies, misdirection, misinformation. Including the total. Don't do the same thing. Slice and dice comment comparing the effect of various districts and complete fabrication that a homestead creates incentive for home ownership that helps families build wealth. As councilmember tovo can relate there's not a single person to buy a tear down to -- who cares. Maybe 50 years we were inspiring home ownership. Those lays are long over. You're trying to make good to a campaign promise to a specific group. I assert after you look at the options you're harming the 55% relatively speaking in order to pay for this. Remember, in giving this break to the small group the voters and donors you're only slightlily delaying when they'll sell for the unwanted giant payday.

[12:28:45 PM]

All of the houses and renters have no payday, just increased costs. Believe me I pass along my tax increases to tenants in good and bad times. Decrease the sales tax because as you know poor people

spend every penny they earn. It would be a Progressive tax break, not a regressive tax break and it does benefit the owner occupiers. Then critically use lobbying money to leg the legislature to allow the taxing entities to proportion a greater amount to non-residential properties, let's say up to 10% of the burden can be moved towards commercial, non-residential. Don't use the excuse that you have to do something that does not benefit commercial. Not having a homestead exemption is one of the most Progressive things the city can do. Travis county and aisd offer this LE depressive give away to the owner occupiers. Pleasing the Progressive city you call yourself, reduce sales tax and/or utility fees or do nothing at all. Wednesday the statesman supported the Texas house was dropping its sales tax in a wholly regressive and renter hating action. You're the last hope for help. Thank you, councilmembers tovo and Zimmerman and future others for one, the commercial reappraisal appraisal action, it would only be a one year temporary fix by definition and, two, recognizing that homestead exemption relief gives nothing but higher burdens to renters. Use the wisdom gained and vote no. Renters unit. Thank you. >> Mayor Adler: Thank you. Next speaker is Kennedy. Is she here? And then the last speaker is Carlos Leon. Is Carlos here? Doesn't want to speak. Did you want to speak? You're up.

[12:30:52 PM]

>> Thanks. Carlos Leon, may 21, 2015, to speak what's right. First and foremost, [speaking non-english language] For letting me expose evil. Austin and Washington, D.C., deck considerate government administrations are rotten to the core, built on lies, deception, criminality, emotional immaturity, terrorism. When councilmember Renteria's falsehoods were called out last week, he lied, saying his words were not his. And the closed captioned transcripts were pulled from your website. Female majority council childishly punishes opposing speakers so if your enemy, one negative outweighs all the positives. But if you're a friend, one positive outweighs all the negatives. Diverse weights that are abominations to the lord, proverbs 20, versus 23. In D.C., ken I don't know Barack Obama acts like president though he's never proved he's constitutionally -- meaning vp Biden is acting president per amendment section 23 with islamists apparently controlling Obama and the Jews Biden. 2008, Hillary Clinton first agreed to Michigan's and Florida's delegates would not count for the 2008 democratic convention, then tried changing the rules midstream to abuse boost her bid. Secretary state allowed four Americans to be murdered on September 11, 2012 on her watch. When directly questioned to explain how for weeks we ask the biden-obama administration claimed their deaths were due to a spontaneous protest, she actually said, quote, what difference does it make?

[12:33:03 PM]

Well, earlier this week judicial watch legally obtained and distributed the widely circulated defense intelligence agency report that clearly said at the time that an Al-Qaeda linked group planned the assault ten days beforehand, meaning Clinton and Obama knew the truth but intentionally lied to us to fool you into re-electing fame president Obama to a second term and keep Hillary's record clean for a 2016 run. Remember these truths. This memorial day when Biden, Obama and Clinton stood down nearby American military who repeatedly requested permission and were denied to defend and save those four Americans when they were still under attack but alive. And defeat the enemy attackers to keep all us

Americans safe. Lord, please help us defeat these evil demons and destroy their works in Jesus' name I pray, amen. Thank you, lord, for the truth and god bless Texas.

>> Mayor Adler: Those are all the citizen speakers that we have. We're now back to the agenda. I'm going to raise three items now that are going to be postponed from the agenda so that people can leave if they want to. First one of those items is item number 48, which is the red bluff hotel matter. Both the applicant -- the appellant as well as the applicant are okay with the postponement. I'm going to move to postpone that to the meeting that we have in June, the zoning meeting, which I think is the -- I think is June 18.

[12:35:16 PM]

If it's not, I'll move to change that later, but postponing it to June 18. The reason for this postponement, councilmembers, is that I think there might be a way -- an additional way to resolve this. It has us looking at two different things.

>> Zimmerman: I'd like to second that motion.

>> Mayor Adler: Thank you. Second motion to postpone until June 18.

>> Tovo: Mayor, I think we can do that actually until 2:00 did you mean at 2:00 we would take that up for postponement?

>> Mayor Adler: You're right. I stand corrected. Thank you. We can't postpone any of those three items because they're all after that. I'll just throw out there there's going to be a motion to postpone 49, 42, 48, we can discuss those items when they come up. Council -- what's the council's pleasure? Do you want to break for lunch or do you want to continue moving and have people move out serially and grab lunch? We have a lot of items on this agenda to work our way through and some items that have speakers. We do have one item here that has a lot of speakers who are present. It's item number 5 and number 17, which deals with towing. This is an item on our agenda that has already been considered via committee, so the default provision, since this has had a public opportunity for testimony at the committee would be to allow four speakers speaking for and four speakers speaking against with two minutes each. So let's address these items five and 17 with respect to public speakers because there's obviously folks here.

[12:37:19 PM]

>> Zimmerman: Mayor, point of inquiry on that if I could.

>> Mayor Adler: Yes.

>> Zimmerman: I want to note on the agenda that this item did not come back from the committee, from the public safety committee. My question for -- with regards to the rules, do those rules apply if the item did not come back from committee? Because we -- could we get an opinion on that? Because we did not send it back to the full council.

>> Tovo: I --

>> Mayor Adler: I'm referring to section 2.5.29, speaker registration and speaking time, which provides that for an item that has been considered by a council committee, up to eight speakers shall be allowed to speak for two minutes each for speaking slots allowed for speakers in favor and against the item, to

be signed on a first come, first service basis. So this is a section that does not say if it's an item that comes from council. It just says an item that's been considered by council so I think that would be our default rule, could certainly be changed by the council if the council wanted to.

>> Zimmerman: I do agree with your interpretation. We did modify the rule, I believe, for another healthcare decision that we made right over coverage of benefits. So if it's appropriate, I'd like to make that motion, that we hear from the persons here and make that exception as we did previously and allow them to speak for three minutes.

>> Mayor Adler: And I think when we had done that before, I think that we had let more people speak but we kept a more limited time. What is your motion for the council?

>> Zimmerman: Well, I think the number of the speakers, if you look at the listing here, there are a -- speakers, if you look at the listing, there are a lot of people who combined time. If we limited the time but allowed all the people listed to have their two minutes, I would be agreeable to making that change.

[12:39:23 PM]

In other words, we don't limit the Numbers but do limit the two minutes. If I could make that motion. I guess the variation of the rule would be --

>> Mayor Adler: There are 12 people who are listed to speak on the list, several of them have combined times.

>> Zimmerman: That's right.

>> Mayor Adler: Are you talking about letting those 12 people --

>> Zimmerman: Let them combine two minutes instead of three minutes.

>> Mayor Adler: Okay. So the motion from Mr. Zimmerman is to allow all the speakers signed up as signed up but to limit testimony to two minutes each as opposed to three, which would give them a combined time, a multiple of two minutes for the folks that have that. Seconded by Ms. Tovo. Any discussion? Ms. Houston.

>> Houston: Yes, mayor, I'm going to be voting no on this. I voted no on the prior precedent-setting motion and I'm going to be consistent.

>> Mayor Adler: Further discussion on this issue? Empty troxclair.

>> Troxclair: Councilmember Zimmerman, can you give us an update as to what transpired at the public safety committee that would lead you to want to have a full public hearing here as well and why the committee did not make a recommendation?

>> Zimmerman: Okay. Mr. Mayor, I'd like to address that.

>> Mayor Adler: Please.

>> Zimmerman: We did post on -- I posted on the council message board -- let me go ahead and hand down some agenda item 5 substitutions since -- these are printed right off the council message board but let me hand those out and pass them down. I think the full council would be very, very interested in hearing what the tow companies have to say. The basis of objections -- again we put these on the council message board but the basic objection we heard is the towing companies did not feel like the majority of them had been consulted on the formulation of the rfp and they felt like if the rfp were to go through, they would be excolided by a third-party company in California that would not give them fair consideration.

[12:41:31 PM]

There were also -- there was some testimony saying that they thought there was one company that had been favored in this, that it wasn't really a purely open rfp process. So there was one or two vendors that had been favored over the entire community of the tow companies. But that's testimony I think would be very, very beneficial to you, and I think it would affect the vote of the council on this matter.

>> Mayor?

>> Mayor Adler: Ms. Pool.

>> Pool: I'm a member of the public safety committee, and I've had some conversation with staff that may address some of the concerns about the rotation, and Mr. Ariano who is here at the dais, if he's able to address those questions.

>> Mayor Adler: Okay. We can certainly have staff start off the debate as we go to public hearing, if that was the desire. The question we have is with respect to the amount of time to leave open. Do we want to hear from staff first and then which the --

>> Pool: I'm good with taking the vote to limiting the two minutes.

>> Mayor Adler: I'm sorry. Did you want to have staff speak before you were ready to take that vote?

>> Pool: No. What I said was I'm fine with proceeding with --

>> Mayor Adler: Okay. What is on the floor is to allow everyone signed up to speak with the two-minute limitation. Any further discussion on that issue?

>> Troxclair: I guess I do.

>> Mayor Adler: Ms. Troxclair.

>> Troxclair: I'm sorry I'm struggling with this because I -- as we set up the committee system so that we could take very thorough public testimony in committees and depend on those committee members and the recommendations of those committees but also hear from the public in a more condensed manner so we have the opportunity to fully understand the issues before us at the full council. But I guess I just -- I'm struggling with it because I'm not clear. It seems like so far we haven't necessarily stuck to that plan and I just -- I don't know where the -- where -- at what point -- you know, which items, where the justification is for which items we think we need to bring -- have full testimony in front of the full council and which items we have in committee.

[12:43:42 PM]

So I know that maybe the committee on the transition could provide some input, but I'm just -- I'm worried about moving forward that we stay true to the policies that we all agreed to.

>> Mayor Adler: Yes, Ms. Kitchen.

>> Kitchen: I also think that we should stay with the ordinance. I voted in favor of the previous -- the previous time of not complying with that because we hadn't made a statement from the dais and we had discussion last time. So I think it's up to us as committee chairs to let people know and you have other items coming up on taxi cabs and we were very clear with the folks from the taxicabs -- those items that we were subject to the ordinance and that was eight speakers at two minutes. So I think we should be consistent. If something has been heard -- the idea behind that ordinance was if you had a

public hearing in the committee, that's whether the majority of the testimony occurs and absent some extraordinary circumstances, I think we should keep with that.

>> Okay. Ms. Pool.

>> Pool: I agree with that. And want to adhere to the rules that we have that we wrote, and if the public comment is anything more than four people each side with two minutes, I would vote against it.

>> Mayor Adler: Okay. Further discussion?

>> Renteria: Mayor?

>> Mayor Adler: Yes, Mr. Renteria.

>> Renteria: You know, I'm going to also vote to limit it to the time that we agreed on when we were forming our committees. I know that, you know, we get the eight -- did the eight minutes for a reason, and that's what I'm going to be voting.

>> Mayor Adler: Okay. Further discussion?

[12:45:42 PM]

Ms. Gallo.

>> Gallo: I agree too with -- we spent a lot of time trying to develop a procedure that allowed the citizens to communicate environmental in the process, which is the committee structure, and that really is an open process. But I do -- so I will support staying to the ordinance as far as the limitation of speakers once it has gone through a public hearing at the committee level. But I do have a question. Are the public speakers' testimonies in committees transcribed in any place so that that information -- I mean, I'm -- if they're televised, do we -- anyway, would that be -- would that information be something that we should start putting in our backup so that we can read that easily and then we would have access and be able to understand and hear what the public took their time and effort to come down and talk to us about at the committee level?

>> Zimmerman: Can I answer that, Mr. Mayor.

>> Mayor Adler: Yes.

>> Zimmerman: The answer is yes, it is transcribed and we have already put it on the council message board under that thread so could you look it up right now and read through it. It is very, very interesting and I would encourage to you read through it. It's not a long read. Read through the comments.

>> Gallo: Hearing that is available I would suggest that the transition committee looks at making that part of the process to go into our backup material when things come before the council and we are limiting the public testimony.

>> Mayor Adler: I think that would make sense. Ms. Troxclair.

>> Troxclair: Councilmember Zimmerman, I just wanted to hear from you one more time if you thought there was some kind of extenuating circumstance. You said that you thought hearing from whoever has signed up to speak might change the vote. Do you feel like the concerns of all of the people here cannot be adequately expressed in that time? I guess, I'm still just trying to understand why you're hoping to make an exception in this case.

>> Zimmerman: Great, I appreciate that. Mr. Mayor, I think we are going to hear from staff first to relay out why they want -- why they've brought this back on without the public safety committee recommending it.

[12:47:47 PM]

So staff brought it back. And so, again, if you have time to read through -- you may have a few minutes to read through the transcripts that are posted on the council message board. I hope you do that. Is there any desire from the council to limit the time that staff has to present their side? Because typically what happens is there's no limit, there's no limit. So we could go on for 30, 40 minutes with staff presenting a case to go ahead and do what they want to do and then our witnesses are limited to maybe two minutes or, you know, eight minutes, 16 minutes, whatever it is. So it doesn't give them a chance to express themselves. As I said before, I think their testimony is especially compelling.

>> Troxclair: Okay. Well, then, Mr. Mayor, I guess you asked earlier if we would prefer to hear from staff first, and I guess in this case it may be helpful for us to hear staff lay out the issues so when we get to the testimony the people who are hear can make good use of their two minutes and respond to anything -- any questions that we have after the presentation.

>> Mayor Adler: I'll call up the staff to talk first so that the folks testifying can respond to it. And if we limit and hold to the ordinance, which I will vote to do just because as a general practice I think we need to discipline ourselves to do that so that we're not here until 3:00 in the morning. If, in your opinion, as we're debating the issue, there are things that should have come out that didn't come out, Mr. Zimmerman, I would give you wide birth to ensure the record was completely.

>> Mayor Adler: Would it.

>> Zimmerman: Would it be in order to adhere to the rules before we hear from staff and then we which the testimony time? Would that be in order?

>> Mayor Adler: Yes.

>> Zimmerman: I'll table that question and allow staff to speak first.

>> Mayor Adler: Mr. Zimmerman has asked that we not decide the speaking question until after staff staff has spoken.

[12:49:49 PM]

Is there an objection to that? We'll consider it at that point. If staff could come up and address this issue that would be helpful. So if staff could come up and address this issue.

>> Mr. Mayor, while they're doing that, if I could provide some context. As you know in February when this item 1st came before council, council elected to direct this to the public safety committee for its consideration. The committee did hold a hearing on this item in its April meeting, and subsequently there was some conversation with the chair to provide some direction and take an action in January -- excuse me, at its June meeting. As I look to review whether or not we -- if there was going to be any impact in that kind of delay, I discovered that the current contract with south side wrecker was going to be expiring September 1 and there was an indication from the company not to extend beyond that. The successful proposers' bid had already been extended twice since its delivery to the city and was good through the end of September, but the piece that made me decide that this was an item that needed to be brought back to council was the provision in the request for proposal or rfp that provides for 90 days' transition should the council adopt and approve a contract for a successful bidder, it allows for 90 days

to have that contract be put in place and for transition to occur. So given the fact that the council had limited number of meetings into January -- excuse me, into June and its first -- and 90 days for the provision of a transition to end on September 1 was essentially the first of June, indicated to me a need to bring it back to council, and that's the action I took.

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: I'd like to clarify that if I could. There's two issues at stake here. One of them is a very important spots decision on whether we're going -- policy decision to have a third-party company out in California that will be management of towing and dispatch.

[12:52:02 PM]

The other question alluded to by the existing city manager is there's an existing contract in place for many years, the nonconsent towing, which I believe south side wrecker has had many, many years. There's two distinct contracts that we're talking about here.

>> Good afternoon, mayor, councilmembers --

>> Mayor Adler: Is your microphone on? Can you pull it closer.

>> There we go. Good afternoon. I'm commander art fortune, mayor, councilmembers, assistant city manager. I'm the commander of the highway enforcement unit. What we're trying to look at, back in 2006, the city started, Austin police, a management of our current towing system, 2006 to 2015 we've gone quite a ways. There's a lot of technology out there, lot of different systems. What happened back in 2014 we put a request for rfp out to look for a total management system. There was a committee that looked at this, the best way to try accomplish multiple things, one was police efficiency, making sure that we're moving wrecks off the roadway faster, secondary wrecks, getting them off the highway far, as we know traffic becomes a major issues. The other issues were customer service. Right now we have over 40 wrecker companies trying to organize figuring out where vehicles went it it can be very time-consuming to the dispatchers, police officers relaying information back to dispatchers, dispatchers entering that information and people trying to find their vehicles. The other issues were just the efficiency of finding the time that it would take for a wrecker to get there. Currently right now we don't do anything with gps technology. We have a rotational system during the morning and afternoon for what we kale our traffic incident management system, which is during our rush hour times and during those times the wreckers have a 20-minute response time. During the other times when we're not in our Tims time we have a 45 minute response time.

[12:54:05 PM]

Currently the police department there's no way to figure out where our -- how long it's taking for wreckers to get there. We don't have an average time. So what happened was back in 2014, I believe before that, the police department started looking at ways to try to figure out how can we improve the system. So they put out a request for a total management system which would mean a corporation or a example that would come and manage the wrecker systems, having storage facilities for it, as far as impounds, and there are over 60,000 -- in 2013, when they did the study, there was over 60,000 impounds we did. Some are going to be consent tows, nonconsent tows, impounds and private property

tows. Quite a bit of towing. Every time something goes towed the police department gets notified and someone has to manually enter that information. Going to a total wrecker management system would alleviate some of that time for dispatchers having to enter that information, especially on private property impounds where there's over 30,000 of those. That's actually half of our tows. The other half are like I said, collisions, people getting impounded for criminal action. The other issue that happens on the street is the officer is waiting for people to come and so right now we don't have a way to track where the wreckers are coming from, how long it may take. We might call somebody, and with having a gps H based system we'd be able to get somebody here a lot faster, the officers would be able to track that, where is that vehicle coming from, and hopefully get there faster so we can avoid the traffic congestion and backup, secondary collisions, which as you are aware happen quite often. The major concerns, though, are just trying to get where we can actually track the data. We don't have any data, we can't track and come back and say what is the average response time 37 when they put the rfp out, it was to look for a company to do that, and they were able to find a company come back and say we've had a success rate in other major cities and the national response time is about 13 minutes for a wrecker to get there.

[12:56:08 PM]

Right now in Austin we'd have to guess. We could say we have a 20-minute during Tims time but it could take longer, 45 minutes, up to 45 minutes. But we can't give you an average time. Some of these other cities have seen major improvements in using this wrecker system. And the cost for this would be a \$25 fee that would be tacked onto the current tow schedule. And that would pay for itself. The city would not be paying for this program. A portion of those fees go back to the company and a portion goes back to the city. So in the end, the benefits are going to -- of going to a wrecker system that's a total management system, not just a software package. A software package is buying software and that software still needs to be managed by people. And as we all know, personnel are very -- a commodity we have to fill up and we're having a tough time right now, struggling with that. So with the total management system to help us with that reducing response times it, has somebody having to manage that, improve the efficiency, effectiveness in APD to clear roadways faster and more committed time for patrol officers. If we can get down to an average and figure out what it is we might have conspirator committed times for officers as well as our dispatchers. So in the end, the whole problem with -- whole issue I guess going to this system is trying to find some way to effectively and efficiencily have a better system than we currently have and that's why they've had a selection committee go through. There was multiple people that came lieu that presented on what the rfp came back with on the total management system. A vendor was selected. That vendor has their scope of work that was very -- what APD had asked for. And we are up on a time crunch on trying to get an idea of where our wreckers are going to go, especially on impounds, as that contract is expiring August 31 and there's no more extensions.

[12:58:14 PM]

So this program has been in the works for quite a while. And we're hoping for consideration to get this program passed because we feel it will be equity and efficient in the long run for everybody.

>> Good afternoon, mayor. What I'm hoping.

>> Mayor Adler: What I'm hoping for is a feel for what it is that's in controversy or what's at issue. I don't know how best to tee up -- could you tee up what's in controversy so we get responses directed to that, as well as the testimony directed to that?

>> Zimmerman: Mr. Mayor and council, kind of what's happening here is there's an existing contract and Mr. Manly, correct me if I'm wrong here, there's an existing contract that was with south side wrecker for nonconsent tows, right? And that contract has been in place for a number of years. That's what's expiring August 31, right, is this.

>> Yes, Brian Manly, chief of staff Austin police department. Yes, the contract we have right now is about to come up for expiration.

>> Zimmerman: That's correct. The one we're talking about here is a very different model, encompasses a lot more function exactly it's outsourcing dispatch towing.

>> We're proposing a towing here that's going to bring efficiencies we don't currently realize, free up staff time currently being devoted to clearing roadways or handling the dispatch center. We're bringing forth a program to address all of those efficiencies as well as providing a lot of benefits to the citizens of Austin, such as clearing roadways more quickly, one phone number to call to find out where their cars are located instead of having to determine which tow company may have actually towed their vehicle. This is going to provide kind of a one-stop shop.

>> Zimmerman: Sure, what you just described there is the proposal that was in front of us from the rfp, which is very different from the existing contract that's outstanding with south side wrecker which expires in August. The point that council needs to understand, these are very, very different issues. They're very different decisions to make.

[1:00:16 PM]

>> Houston: Mayor, if I may.

>> Mayor Adler: Yes.

>> Pool: If I just may.

>> Mayor Adler: Yes.

>> Pool: Is southside towing interested in continuing the contract with the city of Austin?

>> No.

>> Pool: This is key. Southside towing's contract does expire. They do not wish to continue with it. That is part of why the Austin police department staff -- purchasing staff have gone out to identify a different towing company with the inclusion of a software package. I will just advise my colleagues on the dais, having sat through a number of passionate comments from the public in public hearings in the first one, two, three of our public safety committee meetings, we have heard extensively from the community on this topic, on actually vendors. And I just want my colleagues to know that I do not agree with the changed language that the chair of the committee is offering up, and I support the work that was done by the staff under chief Manley and with assistant city manager Ray Ar Auran know, which is the inclusion in your backup.

>> Mayor Adler: What I'm trying to figure out is what is at issue here. So we have --

>> Pool: My understanding -- maybe Mr. Areano could speak to that directly. He and I had a

conversation yesterday. There were concerns in the community about efficiency of getting the cars off the road and then the software AIDS in that instance. There's some additional things that Mr. Zimmerman may individually and separately be concerned about that I do not share.

>> Mayor Adler: All right. What I'm trying to do, I want to know what the difference is between the two.

>> Zimmerman: Okay.

>> Mayor Adler: So there is a proposal to give a contract to a vendor that's going to handle the dispatching associated with a program that provides certain functionality.

[1:02:27 PM]

Instead of that, what you're proposing is what?

>> Zimmerman: I'm objecting. I'm notifying the council and I'm objecting to these issues being conflated as to say because an older contract that has nothing to do with what we're talking about now, that older contract is expiring in August and that's the reasoning that's being used to bring this issue up and try to get to us vote on it today.

>> Mayor Adler: What are the issues.

>> Zimmerman: That's the point I'm trying to make.

>> Mayor Adler: What are the issues in play? One issue is whether to enter into a contract with a vendor, with a specific vendor that has a certain functionality associated with it.

>> Zimmerman: But the backup --

>> Mayor Adler: Are there other issues associated with that or subsumed in that?

>> Zimmerman: To back up, I want to address the sense of urgency, there's a sense of urgency that something needs to be brought in front of council and deliberated on.

>> Mayor Adler: Let me just identify what the issues are.

>> Zimmerman: So there's an rfp you just described, with a third-party company out in California and it would have a \$25 fee, it would offload management from APD to another company. That's the rfp here officially.

>> Mayor Adler: Right.

>> Zimmerman: That's a change in policy, important policy change for the council to consider.

>> Mayor Adler: Okay. So one issue is do we delegate to a third-party vendor the dispatch of vehicles --

>> Zimmerman: And add the \$25 fee.

>> Mayor Adler: And add a \$25 fee in order to pay for that service. So that's one.

>> Zimmerman: That's one.

>> Mayor Adler: What else is at issue?

>> Zimmerman: The next issue is this news that the existing contract with southside, which has been doing nonconsent towing and we can describe that later, that because they're not interested in renewing their contract, which expires in August, therefore, the council has to act immediately. That's the second issue. And that's what I dispute. I'm arguing that since staff has brought this up, then that existing southside wrecker, rfp, the arraignment that's been in place for many, many years, that should be a separate issue and should not even be brought up in the context of our first issue.

[1:04:37 PM]

>> Mayor Adler: Got it. Are those the two issues present is this.

>> Zimmerman: Yes.

>> Mayor Adler: Okay. So --

>> Casar: Mr. Mayor, I believe you'll also hear an issue that in moving to this technology and this contract, we have a current towing rotation list that functions to give steady work to small businesses, businesses of different size, local businesses, and that's a concern you'll hear brought up in the testimony, and I've been working and in communication with APD and purchasing about ways that we can mitigate or address that, but I'll wait to hear from the speakers before addressing some of those points as well because I do want to, you know -- even if we do maintain to the four speakers on each side, I want to hear that testimony before addressing those points again. But I would just point back from the public safety committee was one of the major points of contention, how we can ensure those local businesses remain supported in this transition period if we choose to transition.

>> Mayor Adler: Got it multiply so far. So far what I understand is one issue is do we give this to a -- delegate to a third party, the dispatch with an associated fee to pay for it. Second issue is how does this handle the towing rotation and -- in a way that -- those two questions today. So far that's what I see as the issues. Ms. Tovo, did you have something?

>> Tovo: I just had a general question. It's not clear to me. It doesn't look to me like the public safety committee made a recommendation or took action. I just want to confirm that understanding and also to ask, it would help me going into this discussion and hearing from speakers, what the -- committee members is, and it sounds like I don't know if there's a difference. I hear the chair's concerns, but I'd be interested in hearing from some of the other committee members generally whether these are significantishes from their perspective as well.

[1:06:46 PM]

>> Mayor Adler: So I understand that staff brought it forward because it wasn't a resolution but they want a resolution. Your question is can we hear from the people who are on the committee as to -- as to why there was no resolution and/or where they are on this -- on these issues? That would be helpful to me. Ms. Houston.

>> Houston: Thank you, mayor. Actually, it's a fourth issue.

>> Mayor Adler: Okay, we'll take them.

>> Houston: The fourth issue is that towing is extremely expensive and for low-resourced people adding a \$25 charge on top of that is.

[Applause]

>> Houston: [Indiscernible]

>> Mayor Adler: Okay. Do other members of the committee want to help us frame this issue beyond where it's been framed at this point?

>> Casar: Mr. Mayor.

>> Mayor Adler: Mr. Casar.

>> Casar: Briefly, because I know we will probably have further discussion, this is technological and systemic change. There are certainly many benefits. Chief Manley did share with me the thousands of

hours in 311 and 911 time that we could potentially save, thousands of hours in officer time we could potentially save. Of course with any such transition we should be careful when moving to new technologies on how we make sure that transition is smooth and I don't think we, prepared at the first public hearing to figure out how to smooth those bumps. I saw this posted for a may public safety committee hearing but then it was pulled off of the may agenda because I believe there was a request to put it on the June agenda, then of course city staff put this on this week's council agenda because of the scheduling issues mentioned by Mr. Areanno. I believe our ordinance is somewhat unclear, it's at the discretion of the chair and those members what is on the agenda.

[1:08:51 PM]

So I think there was some good faith miscommunication and confusion about whether or not it was going to be on the may agenda in time for council deliberation, since it was not possible, considering good faith on both sides, that's why it's on -- in front of council now. My disposition at that first committee hearing, mayor pro tem was that I was not sure thousand smooth out -- possibly smooth out that kind of transition so we could be fair to the local businesses and communication with APD and purchasing I'm thinking about moving this item forward in such a way that could address some of those concerns. So I'd be prepared to vote on that today and discuss after we hear from the speakers.

>> Mayor Adler: Okay. Ms. Pool.

>> Pool: And I'm the fourth member of that committee, and I think that I conflated a number of the individual meetings that the chair had relating to towing with the meetings that we had in open session. I know that there were numerous meetings relating to this leading up to it. I think that the revised resolution that the chair has offered up has sufficiently muddied the waters that maybe we should pull this down for a little bit and have a conversation about it. I mean, I just don't know. I am in full support of staff's approach to this, and the wording that's in the resolution had a has been brought forward. The issues that Mr. Zimmerman has, he wants to continue a towing contract with a towing company that is not interested in continuing to have the towing contract. That on its face I don't -- that seems to be very clear issue right there. And then he has some specific objections to software because he's a -- he has software engineering background, and I do not have that level of expertise, and I am willing to rely on the work that our staff has done digging into these issues and assuring that the systems that they're looking at would in fact benefit the community and would increase sufficiencies for people who have to have their cars towed.

[1:11:07 PM]

It's called an expensive proposition to have your car towed. I've had that happen once or twice. It's in not pleasant at all so I work real hard not put myself in that circumstance. So what I would say is that through a series of various actions, starting when we first had our meetings, that this is kind of where we've ended up. And I will just one more time say -- reiterate that I support the resolution that was offered up in our backup that is coming from staff.

>> Zimmerman: Thank you. If I can answer my colleague on this. So I guess the first thing is I heard the instruction from city staff just as my colleague did, but after that I got informed by the towing

community -- it is a rather complex policy question. There's a lot of terminology that people don't readily understand. The confusion over the scheduling that the other -- that councilmember Casar mentioned, it came about as of this expiring southside wrecker thing that we had not been informed and nobody told us that this was going to expire and that they were not interested in renewing the contract. That's new information. And I think that's the justification for why we're here, oh, that new information, they're not going to renew, southside wrecker. As soon as I communicated that to the towing business, they said, really, let us bid on that contract. So there are other people interested in talking about that separate issue, right? The existing southside wrecker nonconsent tow is a separate issue from what we're talking about today. I know some people could speak to that if they had time. Again, some of these are complex issues to talk through and the terminology is a little bit confusing. So, again, I respect my councilmember who predominantly listens to city staff. I'm predominantly listening to the towing business.

[1:13:10 PM]

>> Gallo: I would suggest that we move forward on a decision on this. It looks like from my notes that it was sent to committee from our February 26 council meeting, and the purpose of sending things to committee is not to delay the process, but to give the committee and the public an opportunity to address all of the issues within that chi. And we are now looking at almost three months later, and we're still -- it sounds like we're reluctant to make a decision. My interests would be moving forward, to making a decision on this. I think the police department has waited three months as we've gone through our process of sending things to committee, and I think it's time to take it up and vote on this.

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: Yes. Mr. Mayor, I'd like permission to go ahead and put the substitute amended resolution that I put up. It's been on the council board for a week or two. I know everybody is biz busy.

>> Mayor Adler: I understand.

>> Zimmerman: We all have things to do. Actually, it does not muddy the water. It actually clarifies a lot of things and gives us a clear path forward, if you'd like to put that up while we continue discussing.

>> Mayor Adler: So we're going to proceed this way. We had asked staff to -- and the chief to come up to address the issues. I'm going to ask some questions that relate to the issues that are presented, and then we'll have the speakers speak, four on each side for two minutes, and then we'll pull back to the council and then figure out what it is -- where it is the will of the council is to go. Speaking to the issue of timing, would you speak to the question of whether or not this is something that could be delayed?

>> Mr. Mayor, I don't think it's in our best interests to delay. The contract we had with southside, actually it's a contract already expired and we have been in additional and they don't want to extend that any further.

[1:15:19 PM]

Then the implementation period for what we think is a best practice is going to take roughly that 90 days so we are at a point where I believe a decision needs to be made.

>> Mayor Adler: Okay. There is the change in model that is going to this new vendor, a \$25 charge

associated with that its that a new charge that was not being charged before.

>> Yes, Mr. Mayor. That is a fee -- the vendor themselves, I don't think we can give the exact amount but they would retain the large majority of that. That's why this is being done at no cost to the city, because that's how they actually get funded to run a program like this. And then a much smaller percent of that \$25 fee would go to the individual tow company that actually handled that tow.

>> Mayor Adler: What would be the budgetary fact if weigh wanted to under right that and assume half that cost in order to keep the fee lower.

>> We'd have to look tillage tear impact if you weren't going to offset that. You as the council have the ability and authority to set the tow rates for the city. So if you wanted to do an offset with the tow rate itself so that the overall tow rate remained flat but that the fees charged by the individual tow companies dropped by the 25 to offset that could you do that if you were going to off-vet it within the city's budgets. I don't have those Numbers.

>> Mayor Adler: This \$25 fee is just part of a more inclusive fee that gets charged to someone whose car has been towed. Is that correct?

>> Yes, sir.

>> Mayor Adler: What I understand is that if the city wanted to cut -- effectively cut that \$25, the city could subsidize that by dropping another part of that fee so that if we wanted to the city council could keep the costs to the person being towed the same.

[1:17:21 PM]

>> You have the authority to is he the tow rate.

>> Mayor Adler: That might be something we can consider in the budget if we wanted to.

>> Houston: Mayor, can someone tell me what the current cost to the customer is to get towed?

>> For a regular tow, \$150. And then there's -- \$150 for regular tow and then it goes up to the bigger the trucks go, I think it's \$400 and then \$800. So anything added on would be the \$25 fee.

>> Houston: There's not currently a fee now?

>> No. What you're talking about, if you were talking about cutting \$150, the city would have to cut their -- instead of \$150 being charged, \$125 and then that \$25 fee for this program would take place and it would still be \$150. It wouldn't be \$175.

>> Houston: Thank you.

>> You're welcome.

>> Zimmerman: I'm sorry. I need to add a point here. How does Austin's rate at \$150 for small vehicles, isn't that the most expensive in Texas? San Antonio is less expensive?

>> I believe the tow wrecker association at the last meeting brought that up, we're lower. For the lowest rate. For the higher ones --

>> Zimmerman: You can look it up, Google it right now and see the other cities. We are the highest already.

>> Okay, sir.

>> Again, Mr. Councilmember, you have the ability and authority to set that rate.

>> Zimmerman: The point is it's already the highest. We are already higher than other cities. Okay.

>> Mayor Adler: Okay. If we were to choose to use this new vendor in this functionality, there's a cost

that comes with that. Either it gets charged in the fee or it's something that the city would then -- city could effectively pay for as part of its budget. One way or another, if we want to have this vendor doing this service, that's what it's going to cost somebody to do that. Is that -- am I saying that correctly?

>> Yes.

>> Mayor Adler: Okay. And then the --

>> Casar: Excuse he, Mr. Mayor?

>> Mayor Adler: Yes.

>> Casar: Just a point for clarification for the public or anyone watching, I don't think we've mentioned this so far but the towing fees and the towing contract we're talking about is not when you -- my understanding, not when you tow, when you're parked in the incorrect spot or in the wrong parking lot but rather these are tows that happen on the streets that are causing congestion.

[1:19:39 PM]

>> That's correct. These would domestic not impact the private property tows other than going to this program actually strengthens the private property tows because those private property towers also report to this vendor that they have towed that vehicle and where it is stored so that citizen can then call again that one number we'll have for all tows to know where their vehicle ended up.

>> Mayor Adler: Next question I have is with respect to the towing rotation list. Does this new contract impact the prior practice with respect to towing rotation list?

>> We will maintain the rotation list in the same fashion and the vendor has agreed that they are willing to accept any of the current tow companies on the current rotation list as long as they are still in compliance with the ordinances that we have.

>> Mayor Adler: Okay. That would potentially be a change and important information.

>> Zimmerman: Mr. Mayor.

>> Mayor Adler: Yes.

>> Zimmerman: I'm referring to rfp ead0019 rebid, page 5 of 16. I've studied this extensively, 16 page rfp, under section 3.4, towing programs, under number a, rotational towing, it says "Contractor shall establish and maintain a rotation list of towing companies." What's interesting is I've spent an incredible amount of time studying this document and I used to write these technical documents as a software engineer, and the short version is of -- what's happening here is the third-party tow company would have the complete authority to decide who goes on that tow list. I've heard statements this is, oh, no, no, same as it was now, but what's in the rfp, what's in the proposal is this is going to be up to a company in California as to who gets on that list. They don't have to follow what we're doing now. It's going to be up to a third party. We're delegating this authority to somebody in California. I make that important point.

>> Mayor Adler: Do I understand, chief, by what you just said that appended to or modifying or a separate agreement with this vendor would be that they would maintain the existing rotation list and those on it?

[1:21:54 PM]

>> They are accepting our rotation list and then that is who they're going to pull from. Art, do you want to speak to that, James?

>> Mayor, councilmembers, James, purchasing. This -- the contents of the proposal from the recommended company are still subject to negotiation. So without getting into specific details, part of the evaluation criteria and the requirements that were referenced was the establishment of a rotation list that would be maintained by the contractor. Currently, that rotation list is maintained by the police department. That would then be incurred and then maintained by the recommended contractor. To the extent that that would continue would be based on the compliance of the individual companies with applicable regulations and terms of the agreement between them and --

>> Mayor Adler: So to the degree -- if this council approves this contract, will you be able to memorialize in the contract you're negotiating with the vendor the terms that the chief just laid out a second ago?

>> Absolutely. To the extent that the specific approach and how that rotation list will be maintained will be did he have fin advertised in the resulting contract.

>> Mayor Adler: Okay. Make that representation it would be the expectation of the council that it would be memorialized that way. Mr. Casar.

>> Casar: In our subsequent meetings with representatives of the testing sobers and towers themselves I believe there was still some concern that councilmember Zimmerman raised about whether or not this would be memorialized and whether or not it would be included in the contract because of the way the rfp is written. So that is why in the intervening months since that public safety committee hearing I confirmed with purchasing and with the police chief that a substitute motion that I could make would be to move that we approve this contract but make sure that it's a requirement -- as a requirement that upon execution of the contract we ensure that those terms are met as described by Mr. Scarborough to make sure that all of our local towers on the consent -- on the towing rotation list feel confident that it is not going to be exclusary and that it's not going to be one or two companies used but that we ensure that those companies are still going to be working with this contractor and this vendor if we so choose to approve the contract.

[1:24:29 PM]

That will be a requirement and that our compliance measures will hold them to that so long as the towers in compliance with the ordinances. When we get to that point I'd want to make a motion we include that as a reimbursement for purchasing as they execute the contract.

>> Mayor Adler: That would be okay with you, I imagine? Correct?

>> Yes, sir.

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: Yes. Mr. Donovan copal is here.

>> Mayor Adler: He's going doss fob the first speaker.

>> Zimmerman: With the time he has he can address the fact we have issues of contention over the rotation list already here within this room, with APD of course, with our current management, there's already some disagreement about who is getting knocked off the rotational list. In this particular list it involved the size of your wen much, do you have to have a 20,000-pound or 30,000-pound wench. There's already disagreement within this room as to how this is being used. If you offload that function

to a third-party company in California, you can understand how much more difficult the problem would become.

>> Mayor Adler: Okay. Any further questions for staff before we go to our decision about speakers? Ms. Gallo.

>> Gallo: I just want to ask you a question, make sure that I'm clear on this, that the gps component of this would also apply to the towing from private parking lots also? Even though the towing component doesn't, but being able to track cars that are being towed from private lots?

>> I'm not sure that's the gps function, as far as the closest truck is dispatched. What that is is that when your vehicle is towed from private property, that private property tower will report to this third-party vendor that they have in fact towed the vehicle and where it is and then that vehicle owner can either call that one number all tows will be handled through or go on a web portal and see where their vehicle is.

[1:26:37 PM]

Under the current system, the tow company calls our communications center and if memory serves me right there's been about 30,000 in a year, 30,000 phone calls that won't have to go into our communications center because instead the tower will call this third-party vendor.

>> Gallo: I think that's a really important component of this because I had a personal experience about a year ago of my car being incorrectly towed from a private lot, we were at a funeral, the church had made arraignments, evidently there was miscommunication. And the ability for a car owner to get in 2007 or even know which towing did had towed the car was almost impossible. It took us about four hours to go through that process. So a process that makes it simpler for citizens who are towed out of private lots I think is really important and will be a big benefit that's really a side benefit of what we're talking about, but a huge benefit to the community.

>> Mayor Adler: All right, thank you. Thank you very much. There's a motion from Mr. Zimmerman in front of us that would move to expand debate to un-- unlimited debate but limit the -- unlimited people but limiting it to two minutes per speaker. It was seconded by Ms. Troxclair. Any further discussion on that? All in favor of expanding debate that way, please raise your hand. Expand debate. Mr. Zimmerman. Those opposed to expanding debate please raise your hand. Mr. Zimmerman is the only one voting no. Two members off the -- only one voting yes. With two members off the dais. I'm going to go ahead, then, and identify four speakers to speak against and then four speakers to speak for this proposition. Hopefully the discussion that we've heard has been helpful or informative.

[1:28:37 PM]

The four speakers speaking against this will be Donovan copal, Mike Dodson, Tosha mora and pat Johnson. Those would be the four speakers that would speak unless someone wants to swap out with someone else to take their place. Donovan copal, Mike, Tosha, and pat Johnson. But you can substitute out someone in your place if you want to. The first speaker would be Donovan copal.

>> Good afternoon, mayor, councilmembers, just so you know, Pennsylvania pat Johnson fell ill and had to go to the hospital. So I believe probably Rick pope would be the next good alternative. You know, I

was expecting to be able to make a little longer presentation so just to cover this briefly and try to do it as best as I can, the real issue here is not technology, it's not the gps systems, as chief Acevedo would have had you believe. A lot of the companies, in fact most of them, have gps. In fact we do have the data for response times, Rick pope can testify to that. The real issue is job loss. The vendor that you're looking at doing business with has currently signed agreements by their own admission in meetings with only three companies. The other 38 towing businesses have not had any signed contracts or agreements. They have not stated how they were going to run the system. They have not stated how we were going to continue to have income. For my business it's 30% of my income. I can't afford to lose that. If I lose that income, I lose everything I have. My home, everything.

[1:30:39 PM]

There's another issue of sending \$800,000 a year out to California. I think it should go to the communication center to sea tech. Let sea tech put more dispatchers on. The actual cost of the program is about \$3 a tow, not \$25. And that money could be used -- if you wanted to charge \$25 put that money back into sea tech, more call takers. The floods in October, there's a great example of a way to have more call takers on the road, in the system. You know, we have -- we haven't had a seat at the table at any part of this conversation except once we got to the public safety committee. By then it was too late. Nobody ever asked the towing association or asked any of the other towers their ideas. As you can see with all the lime green vests these are the people going to be affected. This is just a small amount.

[Buzzer sounding]

>> Mayor Adler: You can finish your thought.

>> There's -- you know, there's potential for it to cause 500 job losses. And to go from 200 wreckers, 300 wreckers on the streets in Austin to 50 wreckers covering this. Traffic flow will be a problem. Okay? And we do have an option for doing the impound. It could be put on the rotation system just like the collisions. That is a very valid and serious possibility.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Quickly, thank you, Donovan. So let me summarize three objections you came up with. First is on the rfp, it's your contention that the overall towing community did not get input on the original rfp?

>> Absolutely, yes, sir.

>> Zimmerman: Second thing, on the \$3 per tow, to be clear, we heard testimony in our extensive hearing, right, that there's the idea of software as a service.

>> Yes, sir.

>> Zimmerman: You don't buy any computers or software. What you do is you pay a transaction fee. Every time a dispatcher phones and gets a message to you, there will be a fee.

>> Correct.

>> Zimmerman: That could be \$3 as it is maybe in other cities, municipalities where they don't outsource but in this case it's \$25. The point is we could get the advantage of the state of the art software at \$3 instead of \$25.

[1:32:44 PM]

>> Correct. It would be in the police department and sea tech, sea tech would have the access to that. The dispatcher would have the access to that program, all the same information as far as where impounded cars go, all that stuff will be on that system and will be in the Austin police department in the city of Austin's hands, not in somebody in California's hands.

>> Zimmerman: Which making it easier for me as a councilmember to get answers if I call APD versus somebody in California.

>> Absolutely.

>> Zimmerman: Final thing, tell me quickly what happened with your class B towing rotation list where you have the larger wenchers versus smaller. You got knocked off the tow list.

>> That's an example of something that could happen with this. We've had a meeting -- in fact the truck we have when the ordinances and rules were originally set, the truck -- this rule was based around task was a first true medium duty [indiscernible] In Austin. Come to find out, February this year, the truck was taken off for no reason. I was never notified. No phone calls, no e-mails, no letters. Nothing. The truck was taken off. With that truck off rotation, I lose that income. That income is, you know -- could be anywhere between \$400 to \$2,000 in a month. That was just gone. I asked for clarification of why it happened and was told it's because it doesn't have the correct wenchers. What does the rules say? One 24,000-pound wench or two 24,000-pound wenchers. So my truck expertise exceeds the requirements for that. A staff member, atom not even one of the officers, by the way, these guys are great guys, not even the officers, they didn't take it off. It was a staff member on his own accord that took the thing off, by my understanding, without note characterization notice or -- notification, notice or anything. Then three weeks of no phone calls, no response to get any information as to how to get the truck back on or what the situation was.

[1:34:50 PM]

I actually had to contact councilmember Zimmerman to get that resolved.

>> Zimmerman: So in your opinion, you've heard the testimony here -- well, you don't -- rotation list, everything is going to be fine.

>> Yes, sir.

>> Zimmerman: But in your experience, do you think that's going to be a problem if this contract were approved?

>> Absolutely. I think it will be. Mr. Scarborough made a statement, if you listened to the very end of his statement, it -- he said that the requirements would -- you would stay on the rotation list, they would use the current companies and as long as you met the requirements and then the very last thing he said that the vendor sets up. That the vendor sets up. Not that the city of Austin sets up. Not that you as government people set up, but a private vendor is relating my livelihood. This can happen to me, happen to the taxicab companies, the trash companies, this can happen to anybody. Yes, sir. Anybody else? Yes? No? We good?

>> Mayor Adler: Thank you.

>> Thank you.

>> Mayor Adler: Okay, Mike Dodson. I'm sorry? Tosha mora. That will be fine.

>> Hello, mayor, councilmembers. I just want to follow up with what Donovan did say and reiterate that although we are the majority of the towers in Austin to day, we had not been afforded the opportunity to present solutions and increase sufficiencies to such perceived challenges. There's a lot of challenges stated out there but we had a lot of data, we had a lot of information, we have a lot of solutions, and we are the towers of Austin. But we were not included in the discussions on how to address perceived challenges. One of the first challenges that was stated and stated by the police department was the response time and decreasing the officers' wait time on scenes. One of the ways that we could do that, a successful solution to expedite the response time is follow the Seattle model.

[1:36:56 PM]

It's a city most comparable to Austin, and to dispatch the tow truck on the onset of the call, not afterwards. Currently the Austin system, Austin model is to dispatch the tow truck afterwards, after the first responders have been there, and that can be up to 45 minutes after nine collision or disablement has occurred. That's going to increase wait time. If we are dispatched along with first responders we can be there quicker, eliminate the roadways, clear roadways, eliminate the time officers are on scene. The second area that I wanted to address was we've been asked in the past how the city staffs proposed auto return proposal with new fee could hurt small towing operators. The staff proposal is a very duplex matter, several areas of concern to the towing companies in Austin and how the proposal may hurt the small operators. The first and most concerning @is going to be reiterated is a lack of inclusion of the majority of the rotational tow companies in the whole planning process. There were no formal nor informallial agreements nor discussions with any of the more than 40 tow companies. However, there were three companies that were included in those discussions.

[Buzzer sounding]

>> I'd just quickly, wrap up what I have, the other issue that we want to address is how the auto return program would hurt the city and the citizens of Austin. One, it would be the loss of free enterprise and diversification amongst its suppliers and vendors. The city would only work with one company rather than benefit from the diversification of allowing many companies to provide to the city. Potentially you would lose 40 rotationals.

>> Mayor Adler: Thank you.

>> Can I please say the last bit.

>> Mayor Adler: As quickly as you can because we have a lot of people.

>> I'd like for you to look around the room. These are the Austin rotationiat towers, citizens of Austin. These are the faces of the small businesses and individuals who collectively -- 40 businesses have given \$1.3 million in services to the city of Austin per year.

[1:39:00 PM]

Average of \$11.7 million in the past nine years to the citizens of Austin, to the city of Austin. Please consider the implications that this rfp and contract will have on the city and the citizens of Austin. All the citizens. These citizens included. We have been committed to our city and would appreciate if the city was committed to us.

>> Mayor Adler: Thank you very much. Mr. Zimmerman.

>> Zimmerman: Quickly, Ms. Mora, if I -- so did you get a chance to review the council message board? I sent it out to the community and did put up an amendment resolution.

>> Absolutely.

>> Zimmerman: Basically what I was calling for here is suggestion to redo the rfp. So you think the towing community would appreciate a chance to redo the rfp and have their voices heard?

>> Absolutely, the Austin towing association supports a proposed amended resolution presented by councilmember Zimmerman.

>> Zimmerman: Appreciate that.

>> Absolutely.

>> Mayor Adler: Thank you. We have two speakers speaking against, Mike Dodson and Richard pope.

>> I'm going to let Rick go first. I've got a powerpoint presentation if you can pull it up for me.

>> Mayor Adler: You have two minutes, Mr. Pope.

>> I don't have it.

>> Yes, do you. It's on there.

>> Once we get the presentation up I'd like my time to start instead of now. Next slide please. Austin is a very Progressive city, divide in the north and south. We have two Zones that govern the wrecker bodies. Next slide please. There's a very sophisticated rotation system, Austin is a very technology savvy city. City staff has done a fabulous job putting the system together. Each one of those links puts up a page like this that's got the rotational list on it for each category of vehicle being towed and each kind of situation, whether litigation or just a breakdown on the roadway.

[1:41:10 PM]

If you look at the top part of these lists, it shows those tows that have been executed, date and time, the bottom are the next ten people that are coming. So if you're the next on the list or second or third or fourth down the list, you know when you're coming and you can prepare for it. Every one of our companies -- not every one but majority of the companies have gps, offices that are watching this list, they know when it's coming. The city has done another fantastic job in putting up where the crashes are. And so this slide shows where all the crashes are, all the traffic hazards are. This is as of 8:00 this morning. There's definitions that go along. I've checked data, I've got about 50 data points and I've got many, many years of history. This is some data from my company. The crash was shown here and when we were called, 17 minutes. Next slide, please. This one was 48 minutes. This one was 36 minutes. This one is 72 minutes. This one was nine minutes. This one was 79 minutes. Those data points are from when the crash happened to when the wrecker did was called, okay? Just those five data points is 53 minutes on average. We've been watching this for a long time. We know when the crash happens it's going to be called about 45 minutes, sometimes an hour into it. My company here -- testified here earlier as 24 minutes and 30 5 39 seconds is our response time on average. 991 data points in the last three years.

[Buzzer sounding]

>> Other companies have testified to that as well, okay? And so why are we going out portion 40 minutes? Because we're not getting called on the order of the list or it's the middle of the night. When

we're watching the list, we're going to have a short response time. The next slide shows one thing that we got to be really careful of and that's wreck chasing.

[1:43:13 PM]

What's being proposed by art Acevedo, what he mentioned in this public testimony, closest truck, closest truck, if you click on that while I'm talking it would be great, closest truck to the wreck have going to win. That's what art said. I can't paraphrase exactly his words but he said closest truck is going to win. What's going to happen? Trucks are going to race to the wreck. It happens in many, many cities all across the city right now. Philadelphia is one of those cities where wreck chasing is publicized and it's a disaster for the citizens. We don't want wreck chasing, okay? It's a disaster for us.

[Video playing]

>> Zimmerman: We heard quite a bit of testimony but it seemed to me when we had our long hearing the one thing people agreed on to improve our response time is for the wrecking companies, the tow trucks on that list to be notified when that first 911 call comes in so they can be on the way, the person who is assigned, as you mentioned on the rotation list, if they can be listening to the 911 call and they know immediately what -- that there's a whether he can at a certain location so they can head in that direction and not get caught in the traffic that the wreck has caused.

>> Exactly.

>> Zimmerman: Some of those long delays you're talked about, once you get that now you've got to fight through the traffic trying to get to it. We're backed up even more.

>> Jolly exactly.

>> Zimmerman: One of the things I put in this amendment, resolution, in a reasoning to redo the rfp is so we can put that kind of technology into the rfp and say we need environmental notification. Wouldn't that help you get to your assigned location faster?

>> That's the whole key right there, number 1 improvement to the system -- the system we have right now is very, very advanced. I don't know of any others. We've researched this a lot. I don't know of any other city doing what Austin is doing. Austin is far above, beyond what's happening in most cities across the united States.

>> Zimmerman: In your observation, approving this would actually send us backwards.

[1:45:17 PM]

>> Absolutely, it would send us backwards.

>> Zimmerman: Thank you.

>> Mayor Adler: Mike do don is the last speaker please.

[Applause]

>> Good afternoon. Main thing I can do is tell you that I've been in this business 20 years. I've been run over on the side of the roads, had plates put in my back and everything else. I enjoy this job. What going with the third party is doing, not only -- our slogan is keep Austin, you know -- pay local, spend local, everything else. We're going to spend an average of [indiscernible] \$750,000, send it outwards and we're taking it out of our citizens' pockets. It's not by our choice or anything else. The company is going

to get \$3. Auto return is going to get \$22. Another thing that I really found upsetting, yes, we say we're going to make sure that all the current tow operators are going to be on the system and everything else. Unfortunately, we -- as a community know that's not going to be -- they're not going to be held accountable, auto return is not. Just as a gentlemen told us this morning out in the lobby, he told us all good morning and made it quite clear, you say whatever it is that you need to say and then we'll decide whether or not we're going to try to work with you. That's all I have.

[Applause]

>> Mayor Adler: Is Billy Davenport here New Hampshire? Here? Are you speaking for? So you're speaking different than the people who have been speak all right, you can set up a designated speaker if you want to.

[1:47:23 PM]

>> [Off mic]

>> Mayor Adler: Just passing, okay. What about Henry Jones? Pass. What about Richard Suttle?

>> Mayor, members of the council, I'm Richard Suttle. The way we organized it, the folks you see over here are the folks that can answer the questions for you. We're urging you today that after all the lengthy hearings and all the information out there that the rotation guys are going to be taken care of and especially if councilmember Casar makes his substitute motion. Auto return has no desire to cut anybody out of this business. The only thing that happens, if this system is implemented, is there's a higher tech, higher efficient -- more efficient way of dispatching. It takes the heat off the police department. It takes the heat off the police officers on the scene. It is a proven system that works in other cities and we'll be happy to answer any questions you might have. You have a long day ahead of you. But we're hoping that you'll support the police department and their lengthy study and recommendation to you on this. Thank you.

>> Mayor Adler: Thank you.

>> Tovo: Mayor?

>> Mayor Adler: Ms. Tovo.

>> Tovo: Mr. Suttle, you didn't indicate who you were representing. I assume it's auto return?

>> It's auto return.

>> Tovo: Thank you.

>> Auto return asked me to help them navigate the system because, quite frankly, this was an unusual way of doing a contract. And they asked me to help translate for them.

>> Tovo: Thank you. I assumed that based on your comment but just wanted to verify. Thank you.

>> Thank you.

>> Mayor Adler: Is Bobby Nu here? Pass. Jim Palace.

>> Pass. Akram Nezradi M. Are you speaking for this? You're speaking with this group?

[1:49:25 PM]

>> I'm the owner for Austin Express, I'm talking about myself.

>> Mayor Adler: But if -- you have to speak in favor of what the police people --

>> I'm in favor of the citizens of this town.

>> Mayor Adler: Which side are you speaking on?

>> The citizens of this -- I've been living in Austin for a long time.

>> Mayor Adler: Right. We've adopted a rule that allows for a fair number of speakers to speak. There are a lot of people that want to be able to speak.

>> I'm in favor, I'm anxious that people -- I'm against people from auto return.

>> Mayor Adler: We divided the room into -- speakers into two groups and that side has had a chance.

>> Okay. I'm against the association.

>> Mayor Adler: Thank you very much. Duly noted. Thank you, sir.

>> Can I speak?

>> Mayor Adler: You can't speak, though. No. We've had other people to speak. Thank you. Those with all the speakers that we have identified on this issue so the question now is back up to the -- back up to the dais. We have a -- Mr. Zimmerman I think we do. You moved your motion.

>> Zimmerman: I did. I did move that we --

>> Mayor Adler: But I'm not sure that --

>> Zimmerman: -- We adopt the amended resolution posted on the council message board. Maybe we can put it back on the screen.

>> Mayor Adler: Is there a second to Mr. Zimmerman's motion?

>> Zimmerman: We're missing some councilmembers. Mr. Mayor, we're missing councilmember Houston and councilmember troxclair, is that right?

>> Mayor Adler: Do you think that would --

>> Zimmerman: I don't know. They're not here.

>> Mayor Adler: Ms. Troxclair is here. Mr. Zimmerman has made his motion. I've asked if there's a second on the dais to the motion for -- from Mr. Zimmerman.

[1:51:31 PM]

>> Troxclair: I'll second for purposes of discussion.

>> Mayor Adler: Thank you. It's been moved and seconded. Discussion on this issue.

>> Casar: Mr. Mayor, would it be in order for me to make a substitute motion?

>> Mayor Adler: Yes.

>> Casar: I'd like to make a substitute motion that we approve the contract but include as a stipulation the did you the stipulations described by Mr. Score borrow and Austin police department, the reason being that we do want to respect the local towers and want to make sure that regardless of the vendors' intent that that is a requirement that we not execute that contract unless we have those stipulations.

>> Mayor Adler: This is to ensure the towing rotation list as it exists and to ensure that folks that are on that rotation list, so long as they comply, can participate as is the current policy. It's been moved by Mr. Casar. Is there a second? We have a substitute motion then on the table. Discussion on the substitute? Mr. Renteria seconded. Is there a discussion on the --

>> Pool: I just wanted clarification. Councilmember Casar, are you substituting the --

>> Mayor Adler: Item as posted.

>> Pool: Item as posted, okay.

>> Casar: With that as an additional requirement.

>> Pool: I would support that. I don't need to add anything to the remarks I've made previously.

>> Mayor Adler: Further discussion, Ms. Gallo.

>> Gallo: I have a question of staff, I guess. Have we been told or is it somewhere because I have not seen it how long this contract would be for?

[1:53:32 PM]

>> Yes, James Scarborough, purchasing, I'm sorry. Initial term for the contract shall be a 36-month period, and I am looking here for the -- oh. 36-month initial term of the contract with three one-year options to extend.

>> Gallo: It's my understanding from contracts that we talk about in other areas, policy areas, that the extensions, the city has the ability within the contract to not execute the extensions.

>> Absolutely.

>> Gallo: Same with this contract too.

>> The extensions are established as option that's the city would take.

>> Gallo: If during this first of the first year contract we become aware of issues that need to be discussed and possibly changed in the contract, we could do that prior to the execution of the extensions?

>> As we were moving into the extension beyond the first term of the contract, first term being three years, we would be able to determine administratively whether we wanted to go forward with the company or not. If we were to choose to do so earlier than the first term of the contract, we would need to do so based on performance issues or noncompliance.

>> Gallo: So it is a way for the companies that are involved and the citizens to be able to continue to have input in how this new system might be working and if there were substantial enough issues that would cause you to be concerned about the implementation and how it's being run, that could be addressed during the initial term of the contract, but certainly before an extension was granted? That would allow us to be able to discuss and -- the potential to even change items in the extension?

>> Absolutely.

>> Gallo: Okay, thank you.

>> Mayor Adler: That would include -- given the addition to items as posted on 5 and 17, this motion from Mr. Casar includes the additional protections for the current folks on the rotation list.

[1:55:33 PM]

If this company would come into play and not comply with those additional issues, that could give rise to the kind of issue that you're talking about, could open up the contract even before the primary term was over. Is that correct?

>> Correct.

>> Mayor Adler: Any further discussion on what -- the motion is we're combining now motions 5 and 17, which provides both for the passage of the ordinance that enables this, as well as the authority to award and execute the contract. Ms. Kitchen.

>> Kitchen: I just have a quick question. I'm sorry. Could you restate your amendment? I just want to know exactly what we're asking as part of that amendment.

>> Casar: Certainly. I want to ensure that what has been described by Mr. Scarborough and by the Austin police department, which is going to make sure that the contractor that this vendor works with our current towing list, and that is memorialized and required in the execution of the contract.

>> Kitchen: That's what I was looking for, memorialized and required. We're not talking about a suggestion. We're talking about a requirement.

>> Casar: Absolutely.

>> Kitchen: Thank you.

>> Casar: My follow-up question was also going to be the mayor's, but I do have one additional compliance question, which is we have heard concerns that this would not improve the amount of -- the speed in which cars were going to be towed. Mr. Scarborough, is there anything we have in the contract that we can make sure that we're hitting performance measures that are reducing those times and how would we hold the vendor accountable for lapse this is that performance measure?

>> The administration of the recommended contract will be a joint effort between Austin police department and the purchasing office. So to the extent that we establish performance measures in the contract and the contractor remains in compliance, we will just continue our monitoring activities throughout the term of the contract.

[1:57:35 PM]

To the extent that we start to miss those performance objectives, we will engage with Austin police and enforce the provisions of the contracts as appropriate.

>> Casar: Thank you.

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: Again, I need to go back to the rfp I previously mentioned at the top of page 5, which is a continuation of section 3.3, vehicle towing and response times. And it says in here, under paragraph C, APD shallish a request for authorized tows from the site of an accident or disabled vehicle. The contractor, that would be auto return, should arrive at the scene within 20 minutes after receiving and accepting notification. I think this bears on the fact that what is written in the rfp goes back to the testimony we've heard that what we could actually get worse response time can be in compliance with the new contract.

>> Mayor Adler: Ms. . Ms. Troxclair.

>> Troxclair: I have a couple of questions about the purchase process. In the evaluation of a couple of bid remembers this company was ultimately chosen T says fees to be charged and I think this company had the highest score. Did that mean the 25-dollar fee was the lowest of the responses that we received.

>> Pool: Mayor, I'd like to call the economy.

>> Mayor Adler: Any further debate on this matter? We'll take a vote. The vote is both items 5 and 17. Soiled point of order. I --

>> Zimmerman: Point of order. I thought we would take up 17 separately.

[1:59:36 PM]

I will guide the question.

>> Mayor Adler: We'll vote on number 5, first to pass an ordinance which authorizes the entering into of this contract. It would require seven votes in order to approve on all three readings, isn't that right? To approve a all three readings. Seven votes. All in favor -- Ms. Kitchen? >>

>> Kitchen: Is the amendment to --

>> Mayor Adler: Number 5 is just to authorize contracting with a private vendor to manage tow responses. So this is an ordinance that authorizes, doesn't require it. So his amendment to it would not be part of that. That would be part of number 17, which then talks about the specific contract. Number 5 is authorizing the ordinance which allows for this type of contract to be negotiated. All in favor, please raise your hand? Those opposed? It is 8-1, Zimmerman voting no, Houston and Garza off the dais. That pass eses all three readings. Now we're on item 7 that allows execution of the contract as described in number 17 together with the addition made by Mr. Casar, which relates to preserving certain requirements associated with the towing rotation list. All in favor please raise your hand?

>> Zimmerman: Point of order. Could you say again what we're voting on on item 17?

>> Mayor Adler: Item number 17, which would authorize award, negotiate and execution -- to authorize the awarding, the negotiation and execution of a contract as posted on item number 17 with the additional and added condition that that contract contain the provisions as described by the chief related to the protections for the folks on the towing rotation list.

[2:01:55 PM]

>> Zimmerman: Okay. I'd like to make a motion that we amend this auto return contract to reduce the fee from \$25 to five dollars.

>> Mayor Adler: There's been an amendment to go from 25 to what?

>> Zimmerman: To five. 25 for the fee.

>> Mayor Adler: \$25 to five dollars for the fee in the contract. Is there a second to that? Mr. Zimmerman has moved to amend the pending motion on this deal on item 17, the towing contract, to provide that the fee to be paid to the company be reduced from 25 to five dollars. I'm asking if there's a second.

>> Houston: I'll second for discussion. That's been my concern about the 25-dollar fee. So where do we discuss how we can mitigate some of that --

>> Mayor Adler: We can pull staff back up here. This isn't the decision about ultimately what the fee is the charge of someone being towed, it's the fee for the service in the contract to the vendor that we're hiring. We have have staff confirm this, but it would be my understanding from the prior conversation that this is the contract term associated with this particular vendor and a contract has been negotiated with them providing a service at \$25. I think the question you're asking is if we wanted to reduce the fee that someone has to pay ultimately from what will be now \$175 down to \$150 or to any other amount, what would be the forum do that? I would suggest that the right forum to do that would be part of our budget negotiations, and we could certainly ask staff to come back to us and tell what is the budget implications would be of mitigating or offsetting this fee or charge if that's something we wanted to do.

>> Houston: I would appreciate that.

[2:03:57 PM]

>> Mayor Adler: Is there any further discussion up here? The amendment is to go from 25 to five dollars. Those in favor of that amendment please raise your hand? One. Those opposed to that amendment please raise your hand. Zimmerman voting yes, the others voting no. Garza off the dais. We are now back to the resolution, which is to adopt number 17 with the caveat restriction as added by Mr. Casar. Any further discussion? All in favor of 17 with that caveat please raise your hand? Those opposed? It is again the same vote, 9-1, Zimmerman voting no and Garza off the dais.

>> Houston: Mayor, would you show me voting aye on five?

>> Mayor Adler: Yes. The minutes should reflect that if Ms. Houston had been in here she would have voted yes on number five. All right. We're done now with those items. There are some items that have a large number of speakers --

>> Kitchen: Mr. Mayor, could I ask how we're proceeding? Are we not going to take any break at all?

>> Mayor Adler: We have three items that have a large number of people here. We have four items that I think we should talk about. We have a red bluff case that it would be timely for us to postpone because we're going to postpone it. We also have the wia issue that is going to be postponed, and we could talk about that.

>> Pool: Mayor, I can't hear.

>> Mayor Adler: I need the people to leave the chamber as they walk out so we can hear each other up here or be quiet, please. Thank you. We appreciate that. For scheduling purposes, so we could take a break or people could move out, we have four items that I think we should address for timing purposes.

[2:06:02 PM]

One is the red bluff hotel case, which is going to get postponed I think just going to explain why and then take a vote. We have the Wai issue and the decker lake issue that I think also will be postponed so we can discuss that and move on. And the last item I think we should address, Ms. Kitchen, maybe you can give us guidance on this, we have items 30 through 34 which are taxi issues. I know we've had numerous opportunities to have public hearings. There's going to be additional opportunities. On the last one we just had the council held to our ordinance.

>> Kitchen: We have eight speakers for all of those items combined and we've been working with all of the -- all of the respective interest groups, the drivers, the taxicab companies, Austin interfaith and adapt. And so we have eight speakers representing each of those viewpoints. And I have a list for you here.

>> Mayor Adler: Four on each side? Is that what we have?

>> Kitchen: If we could take a break I could explain it to you, but basically we have -- we have them representing -- these are not issues that fall neatly into for or against. Instead what we have is a representative viewpoints for each of those, and those are the.

>> Mayor Adler: We have eight total speaks that would be speaking two minutes each?

>> Kitchen: Right, for all of those items combined.

>> Mayor Adler: Sounds good. What I would suggest is that since we have this group, go into that issue,

that we deal with the three postponements and then we potentially take a short break. Does that work with people here? Mr. Zimmerman?

>> Zimmerman: I was going to move to postpone item 48, but you want to do the three items you mentioned?

>> Mayor Adler: I want to call them up so we can talk about them real fast.

[2:08:03 PM]

>> Zimmerman: I want to postpone item 48 to --

>> Mayor Adler: Is there a second to postpone item 48 to June 18th. Ms. Kitchen seconds that. We talked about this on Monday. This is a case that presents for us additional opportunities to -- June 11th I think is the date. Is that okay, Mr. Zimmerman, June 11th, to postpone to June 11th? This is a case that I think lends itself to additional options. The two that are being considered that are being discussed are ways to reroute red bluff, bring it out and to first street at a 90-degree angle which may bring great depth to the property in question. Also some conversations on further limitations to even the request in the primary in the event that the alternative doesn't get worked out. Both the applicant and the appellant have agreed to that kind of postponement.

>> Renteria: And I will be supporting that motion.

>> Mayor Adler: Thank you. All in favor of that motion, please [indiscernible]? Those opposed? It's unanimous on the dais with Ms. Houston and Ms. Garza off the dais. The next item is waia and decker. Item 39. Ms. Pool has asked that be postponed to the June 11th council meeting. Is there a second? There is a second on that. If I could kick off that discussion or do you want to kick it off? I also have asked for this item to be postponed. There are just some broader issues I think which are raised by this which I think we should address.

[2:10:13 PM]

Waya has been a treasure to this city and provided incredible support to lots of the kids growing up in our community and is one of our community institutions. And I certainly want to make sure that I honor that. At the same time, I have some concern about entering into a long-term lease concerning the use of parkland when we're just about to do a master plan of the parkland. And I would hate to have us have lots of people that would come to us saying let's enter into contracts and let's be making decisions about parts of the park when we are at a place where we might be able to get an overarching view. And I just think that that's a much better way from a policy perspective. I recognize that the way people want to be cleared and moved forward so they can start a capital campaign, and I want to do this as quickly as we can so that they can start that process and we can discuss -- so we can move that forward. But this is an extension of a lease. I also think that there are questions associated with entering into an additional 25 years and another 25 years after that because it becomes a 75-year dedication or alienation or lease or concession or whatever it would be called in this case. Which I think is also worthy of a conversation. We're seeing that on other properties too. So I just think that there are more basic policy considerations that go outside of and beyond this particular question and I appreciate the postponements so we can see if we can get a handle on those. Ms. Pool?

>> Pool: I'd like to ask staff, to the extent that they're here, to give us kind of a time frame for if we're going to engage in the longer conversation or maybe mayor you have some ideas

[2:12:24 PM]

[indiscernible]. This would be to inform the west Austin youth association.

>> I'm Sarah Hensley, director of parks and recreation. You will have before you in June an award for a consultant to do the master planning and we should be complete with may wanting process in the spring of 2016.

>> Pool: Is there any opportunity for you to have a conversation with whomever you're working with to accelerate that.

>> Yes, we can certainly do that. That's usually our long-term. We do take into consideration the summertime. The fact that there's holidays through that. That's our best estimate, but we'll do everything in our power. Our whole effort is to bring everybody to the table and really work through this with all the parties involved, the neighborhoods and everybody else. And so we won't make it go any longer than it absolutely has to.

>> Mayor Adler: Are you okay, Ms. Pool, to changing your motion to say that rather than having it come back up on June 11th that we postpone it subject to recall? And then if it looks like a week prior to June 11th if it is appropriate to be putting on the agenda you could pull it back up on the agenda at that point or any other time?

>> Pool: I think that would be great. It gives us greater flexibility.

>> I can keep you and I will keep you updated on how we're doing in the master planning process, via letters, updates with memos.

>> Mayor Adler: There would be several of us up here have this process run more quickly than the spring of next year. I concur with councilmember pool in asking you to take a look at how we could do that.

>> We'll do our very best.

>> Pool: I would say most of us are concerned with moving it along as quickly as possible.

>> Mayor Adler: Any further discussions on this item? There's been a motion to postpone indefinitely or lay on the table this item 39. It's been seconded. Is there any further debate? Seeing none, those in favor of the postponement please raise your hand? Those opposed? It's unanimous on the dais with Garza, Zimmerman and Casar off.

[2:14:31 PM]

That then gets us to the next item, which is decker lake. It's item number 42. Is there a motion to postpone this indefinitely as we just postponed the last one?

>> I'll make that motion.

>> Mayor Adler: Ms. Houston makes that motion. Is there a second? Thank you, Ms. Pool. Do you want to address this first, Ms. Houston or do you want me to go first? Either way. This decker lake question is an --

>> Houston: I'm having a hard time hearing.

>> Mayor Adler: It's on. It's on when I want it to be on, off when I want it to be -- on when I want it to be

off. This is an important issue, this Decker Lake question, and it has come before the council here on at least a couple of occasions. It has been heard by several of the council committees. And I appreciate both the debate and the discussion that we've had on the table as well as the work that has been done by the committees. As I talked to the limited number of people that I can talk to off the dais, I think that there are others that share my sense that this is not an item that has been advanced sufficiently for us to act on it. I think this issue of the golf course has now gotten bigger than that. And it includes multiple issues and it has become a symbol in this community and it has the potential to result in a divisive resolution when it does not need to do so.

[2:16:40 PM]

I believe that this community -- having spent a full year spending most of time to beat the traffic out in the community, is ready for there to be a new conversation about economic development on the east side of this town, a new conversation about focusing efforts on providing opportunity and access to people all over our city. I know a lot of us, myself included, have made a promise and commitment to this community that we would do that and move in this direction. I think that this golf course yes has found itself caught up in that discussion. I am concerned when we take a look at working -- making decisions about parks and our city about long-term concessions or not long-term concessions. That we treat parks in this city the same and we have the same kind of policy decisions that drive us. When we make decisions about where we focus on economic development that we have policy that is guiding us. I don't want to be -- and won't be part of a council that gives lip service to development on the eastside of this town and Rundberg and other areas that have been neglected historically. I fear that if we try to make a resolution and a decision on this issue right now we will be making it without the more holistic approach and without being able to communicate the larger message that we want to to the community. And if we make decisions on this matter now we will be deciding it without having put forward and decided and set in motion the kinds of things that we want to see.

[2:18:47 PM]

So I concur and would support the motion for an indefinite postponement of this issue and with the council's acquiescence I would form a five-member working group of this council that I would take chair of to look at economic development on the eastside of this community, Rundberg, working with and helping to coordinate the work that has been done with the committees thus far that are addressing this issue so that together as a council we can demonstrate both resolve and activity and a change in direction. Any further debate on this issue? Ms. Houston?

>> Houston: Thank you, Mayor. I want to say to all of those in the audience and those on TV and listening on the radio that over the past few months I've received so many emails and phone calls and heart felt concerns from people inside the city inside the district and of course far away places regarding the land at Walter E Long Metropolitan Park. Some of my good friends are on both sides of the issues and of course I hear from strangers I don't know who are on both sides of the issue. The Metropolitan Park is composed of 1,872 acres, 1,037 of those acres are developed. And because of that we invite all of you to come out and enjoy our park this weekend over the Memorial Day weekend.

[2:20:48 PM]

The undeveloped portion is 785 acres. The concerns I've heard from people are about the risk the city would be taking, that the city should not enter into long-term agreements with private developers. That the professional golf association is not a tourist attraction and will not bring revenue into the city. And that people who live in the area do not really understand the situation and are not aware of the consequences to their area or to the community at large. Our city has a history of taking risk in other parts of the city. Some work, some work well, others don't. But that has not stopped us from being district 5 or innovative. Our city has a history of entering into long-term 50-year plus agreements with both non-profit entities and for-profit owned parkland. Some of those long-term agreements require payments to the city. Others do not. Our city has a history of directing development to a particular location through incentives. The domain is an example of this. The people who live in the area, as my elders would say, are all the way grown up, they're educated, they're thoughtful, and object to being marginalized or in need of a paternalistic system to make decisions regarding what's best for them or their community. This proposal has the important to trigger future investment in our community, the kind that waller creek redevelopment public works project on the edge of Waterloo park offers.

[2:22:55 PM]

Yes the public works project will offer relief for waller creek and bring 26 acres out of the floodplain, but more important almost it will investment in that area to include density, tourism, hotels, retail. How much has been spent on that risky, but creative development? To my knowledge the city has invested \$400,000 to start that project. Waterloo park has been closed for three years and not a word has been set. Does there appear to be a double standard here? How does the city of Austin reconcile the differences? Mayor, what is of critical importance to the people of district 1 is that this city be intentionally focused on economic development in our community, and because of my trust in you, I have moved that we put this on the table until we can get something done.

>> Mayor Adler: Thank you, Ms. Houston. Is there further debate on the motion? Ms. Pool?

>> Pool: Over the last few months and in a number of different council committee meetings I've called repeatedly for what I've termed a comprehensive and inclusive process to determine the community and economic development needs of communities east of 183. Councilmember Houston and I have had a number of conversations about how to best wrap our arms around the need to bring the city's full attention to this underserved and historically overlooked and neglected part of town. And I appreciate the mayor's motion or offer to create a work group of the council committee in order to forward this diplomatic actively and -- deliberately and intentionally.

[2:25:10 PM]

I hope we recognize the shortcomings of the city in past years and seek to redress it. And we will do this over time and with intention and specificity. And I look forward to working with my council colleagues to that end.

>> Mayor Adler: Thank you. Further debate on this issue? Mr. Renteria?

>> Renteria: I would also -- we over the past history of Austin there has been mention that the preferred growth is always on the eastside and the preferred development was always -- has always -- they always said not to go over -- grow and develop over the aquifer, but to the preferred growth has always been the eastside. But we never had any kind of and development on the eastside. Yes, we do have the [indiscernible], but I don't see that as a big benefit to our community there on the eastside part because it's so far out there. And I think what you have proposed is the right way of going around it and really just looking at the big picture that we're going to do a master plan or what we're going to be doing there on the eastside. So I'll supporting the motion.

>> Mayor Adler: Thank you. Any further debate or discussion on this issue?

>> Casar: I want to speak briefly to my commitment to continuing to work on the issues that people in colony park care about and areas similar to it like in my district in the north Lamar corridor and that includes things like code compliance, enforcement that makes sure that we have safe housing and clean streets, programs for youth that empower the city of Austin and continue fight on items like the ones that we passed today to increase the minimum wage for those at the bottom of the pay scale and make sure that we increase employment opportunities for folks in our communities because one item that I've struggled with is no matter where a hotel is positioned in town it often times is still paying the same wages and there are still folks who will have difficulty finding employment there.

[2:27:32 PM]

So I'm on committed to working every single week and to work as quickly and deftly as I can with all the councilmembers here on those economic development issues and the inequality that we face is a national problem, but that we cannot ignore just because it's a national problem and handle as much as we can as a local council.

>> Mayor Adler: Ms. Troxclair?

>> Troxclair: I appreciate your dedication to making sure that we aren't just giving lip service to the eastside of town that has gotten lip service for a very long time. I know this was -- that a comprehensive plan for this community has been part of our ongoing discussions and the economic opportunity committee in addition to our specific discussions about decker lake. We've already started the process I think of obtaining information and data that we can use as a whole to come up with a comprehensive plan. I hope that I get the opportunity to continue that work with you in this stakeholder group that you're looking to put together. And I know other members of the economic opportunity committee will continue to be interested as well. I guess my only suggestion is that -- we don't have to do it now, but when this group is formed, I do hope that we can put some kind of timeline or expectation together for the completion of this plan. Because it's really hard for us to sit up here and say that we're not giving lip service, but then turn around and say we'll postpone something indefinitely. I think that regardless of the outcome and regardless of the plan that we come up with that I think we need to be really intentional about it. Even if it's a year, two years, I don't know. I have no idea what that timeline would be, but I think in order to keep it on the top of our priority list and keep it top of mind for the council and for the community to know that we are taking this seriously we need to put some kind of parameters in place.

[2:29:34 PM]

So I just hope we will do that.

>> I think that is sage counsel. I will make sure we do that. This is not to displace or displant the work that was done or the continued work that the committees are going to have to do associated with this. It's just it's kind of interdepartmental and we need to just push it forward. Your point is well taken. I'll make sure we do that. Mr. Zimmerman?

>> Zimmerman: Thank you, Mr. Mayor. I have one quick comment on this. I completely support the self-evident objections that councilmember Houston has brought up. You hear all these promises about development in the eastside, but guess where the cranes are? The cranes are all around us down here in the central business district. That's where the cranes are, it's where the money is. We have a very powerful downtown Austin alliance. We have a chamber of commerce, we have all these political forces concentrating development and subsidies in the downtown area. But the frustration I have is that I have a philosophical objection to what the city is doing. The city promised back in the late 60's and early 70's that they would put a golf course in, and they haven't done it. So I think this is an argument that we should just stop doing this. We should stop putting the city in charge of development. I ran on a platform in district 6 of abolishing the economic development department because it seems patently unfair. There's too much commitment made to downtown, there's no commitment made to the a eastside, but I think the solution is to get the government out of this it. I would like to see this property that we keep referring to put up for some kind of development contest to see the best and brightest minds around America. Austin is a red hot community. Let development interests all around the country compete for how they would develop these 785 acres. There are some brilliant ideas out there. I don't have them. The city doesn't have them for 40 years.

[2:31:35 PM]

Let's ask for expertise from outside the city on how to best use the 785 acres. Since it's parkland owned by the citizens of Austin, let's put it it up for a vote. Unfortunately it would take some time, but we've already waited 40 years.

>> Mayor Adler: Further conversation on this issue? Ms. Gallo?

>> Gallo: I really appreciate all the comments that have been made so far. And the concern that we all have for the economic development of all of Austin, but specifically the areas that have been neglected for many, many years. The economic development is impacted by the decisions we make in so many different areas. Land use, how we're using our parks, but as you've heard in previous conversations this morning, it also is in the awarding of contracts. Councilmember Houston continues to tell us and remind us and we all agree with her over and over again that how few of the contracts are awarded to minority and women owned businesses. My concerns when we award large contracts and small contracts to companies and individuals who are not local. And these are the ways that we can impact on a daily basis as we sit up here and make policy decisions on economic development and making sure that our local individuals and businesses really are awarded the opportunity to be able to make an income and make a living and be able to continue to live in the city that is getting more and more expensive to live in. And

the other part of this issue that I'm glad we're going to be discussing is how carefully we're going to monitor and take care of our resources. The issue of water resources and what we're going to do when we talk about parklands and the use of parklands with those resources I think is so critical in this community. It's hard to say that since it's been raining for the last two weeks, but we are under a drought. And the uses that we determine to allowed to be used in this community when we're in drought conditions I think is critically important. Thank you, mayor, for bringing this forward and putting us in a dialogue that will deal will all of these issues and not just as councilmember Houston says over and over again in silos, which I love the visual concept of that.

[2:33:49 PM]

So thank you.

>> Mayor Adler: Finally, I think it's important to note that this is a conversation that not only has taken place at this dais and in the communities that we've had, but in lots of conversations involving the staff in the various departments. And manager, certainly with you, you've spoken about it from this dais before, and you and I have had repeated conversations on this subject and I'm sure you've had them with other members of the council. I just truly believe we have reached the critical mass and inertia necessary for us to actually do big things and real things and meaningful things, and now is the time. Is there further conversation on this issue? The motion is to suspend indefinitely -- delay, postpone indefinitely on the table this item -- is it 48? 42. All in favor please raise your hand? Those opposed? It's unanimous on the dais with Ms. Garza not here. We'll move post haste to form that. I want to talk with a couple of you about that first. The next thing that I would take up would be the taxi issue. Do we want to take a short break before we do that?

>> Yes.

>> I would appreciate a short break.

>> Mayor Adler: Okay, it is 2:35 right now. What is your pleasure for coming back?

>> 10 minutes?

>> Zimmerman: 3:00?

>> Mayor Adler: 3:00, is that too -- 3:00? We'll reconvene at 3:00.

[Short break]. >>

[2:57:00 PM]

Rs >> >>> >> >>>

[3:01:02 PM]

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[3:18:54 PM]

Test

>> Mayor Adler: We have a quorum back in the dais. We have one matter that is the consent zoning matter, item 43. Mr. Guernsey, you said we could get up and down here in a minute or so.

>> That's right. One minute. Greg Guernsey. Planning and zoning department, item 43 zone the property community commercial, mixed use conditional overlay, combine district zoning. Council flood on 11-0 vote. Public hearing closed. Offer this for consent approval.

>> Mayor Adler: Is there a second to the motion? Motion from kitchen, second from Zimmerman. Any discussion? All in favor of consent approval please raise your hand. Those opposed. It's unanimous on the dais with pool, Garza off. Good job.

>> Thank you, mayor and council.

[Applause]

>> Mayor Adler: Was pretty impressive. All right. Now we're going to pull up the taxi-related items, which are items 30 through 34. Ms. Kitchen, you want to give us a -- kind of a committee report overview, set set us up for this?

[3:21:02 PM]

>> Kitchen: Okay. I'm going to go through the mobility committee report. First off, thank you all for being here and thank you for your patience.

[Applause]

>> Kitchen: Thank you for your patience with our process. I'm going to go through the mobility committee report, explain -- just remind folks of our process here and then explain where we are on second reading, which is what we have today. So first off, and the mobility committee Robert is in the backup. First off, as you know, the mobility committee has been discussing the issue of the taxicab franchise agreement renewals, as well as the associated ordinances. And we've discussed a number of items that are very important from a policy perspective, those including access for persons with disabilities, as well as really look at an even playing field for both cab drivers and for taxicab companies. So many it that context, what we -- we're doing now is working through the process for the renewal of the franchise agreements, and we are now -- today we're taking up those agreements on second reading. Our third reading will be on June 4, about 2 weeks, our third and final reading. So today is second reading and it reflects the discussion and recommendation that came out of the last mobility committee meeting. Now this -- I'll go through those first, and then I'll say that I -- we have another mobility committee meeting on June 3. I do expect additional recommendations to come out of that. So first let me run through the recommendations. First with regard to the terms of the agreement, we -- with the second reading can he kept it at the one-year term because -- but because we're still working through making sure we have a clear understanding of what can be changed in the ordinance versus the agreement.

[3:23:06 PM]

We had some discussion at work session about that. I fully expect that the next committee meeting, that we will address the terms of these agreements and that welcome back on third reading with a term that is longer than one year. So I'm putting that as a placeholder that we will discuss at the next mobility

committee meeting. The other recommendations that came out of the last mobility here, and you'll see reflected here on second reading, is to revise the frequency permit formula so the determination of additional permits would be based on assessing performance measures reviewed and approved by city council and that's reflected in item number 33. The next recommendation was to allow the useable life of a vehicle just to be based on meeting inspection requirements instead of having a number attached to it. That's also in item number 33. Also that the chauffeur's license would be held in the name of the driver and the sponsor would not be required. That means -- what we discussed is --
[applause]

>> Kitchen: What we discussed as part of the mobility committee is that, you know, you can think of these as akin to a driver's license, they really belong to the driver. So that's reflected in item number 33. And then lastly we recommended that city staff begin the process of creating a fourth driver-owned franchise model after a car.

[Applause]

>> Kitchen: And you'll see that in item number 34. So, again, just to recap, we have items three, 31, 32, which are extensions of -- not extensions, renewals, I guess is a better term, for the three taxicab franchise agreements, and then item number 34 reflecting the changes to the ordinance that relate to the permit formula and the useful life of the vehicle and the chauffeur's license, and then, finally, item number 34, the last one, is our instructions to city staff to begin the process of creating the franchise -- driver-owned franchise for the co-op and to bring that information back to us.

[3:25:34 PM]

So let me say, also, that, as I said before, we'll be considering additional item on third reading, on the June 3 mobility committee meeting that will come back to council on June 4. I might also add that one of the considerations for those of you who have been at the mobility committee meeting, you know we talked about our concern about an equal playing field, and we do have information now with regard to house bill 244, which was the potential for t&c regulation by the state and that did not pass so we now have a better understanding of what our parameters are.

[Applause]

>> Kitchen: For our mobile committee meeting. That said, skill if any of my fellow committee members have anything they want to add.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: So point of order. Have we moved -- I'd like to move adoption, if we haven't already done it, of items 31 through 34 -- move adoption of those.

>> Mayor Adler: That's fine. It's been moved, seconded. We do have public comment that we're going to entertain at this point. This matter has already been available for public testimony so consistent with the ordinance, we're limited to eight speakers at two minutes each. And I'll call speakers now. The first speaker would be ed cargball. You have two minutes.

>> Thank you, good afternoon, mayor, council. Thank you for the opportunity to speak to you today. I also have a document that I've submitted to be handed out to each of you. There's quite a bit of information to process about the industry, as y'all are learning. And as you make decisions, I am available to you to answer any questions and get any information to you as you need.

[3:27:34 PM]

There's no such thing as a perfect system. But the current franchise structure is the most balanced and accountable system to the rule of law, to the city of Austin, to passengers, drivers, and to operating franchises. The taxi drivers association has tried the tactics that they're using now. They've tried them before, during the last franchise renewal process and the actual research done by the city of Austin through the taxi study, better known as the Monday report, proved their claims invalid and inaccurate and that's the information presented to you and subsequently summarized for you. If you have any questions or need additional information, I'm available to share that. More invalid, inaccurate claims are being made during this franchise renewal process, for instance the claim that \$715 paid not franchise gets you nothing. It actually gets you \$4,300, councilmember troxclair, worth of equipment, car painted, all the stickers and decals the city requires and city staff requires to us repaint those cars, we do that free and we paint your car back for when you it goes offline. \$455 for a permit that we pay to the city. Drivers pay a weekly lease returns five times on their investment when they make those payments. The claim that a driver was suspended for one complaint was the -- actually the byproduct of five complaints over the course of six to eight weeks and so we had that driver in to investigate those complaints and resolved that. So those are the types of issues that we deal with. At the end of the day, fundamentally, the question you have to ask yourself is who is accountable when things don't go as they're planned is this the core of many of the taxi issues you're faced with and the question you should have answered thoroughly is who will be accountable --

[buzzer sounding]

>> -- Based on the policies you've chosen to implement? We've been accountable for 30 years and we hope to be accountable for 25 more. So we're looking for the opportunity to continue to serve the city. Thank you. The next.

[3:29:40 PM]

>> Tovo: Mayor.

>> Tovo: I don't think we've received your letter. I've gotten communications in the past. I'm not sure if there's a new letter circulating or not. Have you communicated -- do you have concerns about the amendments that are currently in the backup?

>> I think councilmember kitchen is doing a fantastic job of chairing the mobility committee and the opportunity to continue to flesh out the details of the items that are being proposed, I think, is tremendous. So I think as we work through the mobility committee by the end of June 3, you know, there are obviously -- the devil is in the details, right? So I think the opportunity to answer those questions and have specific details will be addressed before it comes back to this council on the fourth of June.

>> Tovo: Does that mean the letter you distributed or said is available today addresses? Of those points you intend to raise before the mobility committee about what's currently posted online or are you satisfied with what is posted -- you're satisfied with the agreements as they are?

>> I think as councilmember kitchen --

>> Tovo: Being considered on second reading.

>> I think as councilmember kitchen stated, you know, it's -- this is all a work in development, right? And so the details will be fleshed out in advance of this coming back to you on the fourth of June. I actually submitted a letter last Friday, addressed to each of you individually. I subsequently submitted more information on Tuesday in a packet before your work session that's morning. Today with my testimony I've submitted what is a summary of the Monday report, and as this process plays out, I'll continue to get this council as much information as is needed to address any and all issues.

>> Tovo: All right, thank you. I appreciate it. It sound like you'd rather not address the specifics but I'll look forward to hearing the ongoing dialogue. I didn't mean that as a criticism. I understand you've submitted a lot of information. I'll make sure I review that.

>> Forgive me.

>> Kitchen: Can I speak.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Councilmember tovo, at least one of the items that we need to continue to address in the mobility committee relates to the term, and I think that's of interest to all the taxicabs.

[3:31:44 PM]

And there may be -- I'm not saying that's the only one, but that is definitely an issue that we need to continue to address in the mobility committee, the one-year term is just a place holder. So -- there may be other items and we'll continue to work.

>> Councilmember tovo, please forgive me. Any intent was not to not answer your question. So there are five items on the agenda, some that we are against, and some that we completely support. And I think that some of the items I think need a little bit more, and so as you asked that question, actually, I wasn't certain which specific one you may have been pointing to. There's some items we don't support, some we completely expert some we think need a little more work.

>> Tovo: Super. I appreciate the information about the term.

>> Thank you.

>> Tovo: Thank you.

>> Mayor Adler: Next speak is hassan aruyi.

[Applause]

>> Thank you, good afternoon, health --

>> Mayor Adler: Pull the microphone a little closer to you.

>> Is this better?

>> Mayor Adler: Much better.

>> Thank you, I am a yellow cab driver. I was very surprised to listen to Mr. Carbough trying to say cab drivers are almost rich people. I'm here to tell you about my personal story, my conditions. A few months ago, my wife and I, we decided that we cannot live in Austin under the current circumstances. I pay \$17,000 a year to yellow cab for the permit that he pays \$450 for. I'm a married man.

[3:33:45 PM]

I've got three children, four and a half, three, ten months old. We decide the only thing we can do to survive is I send my family overseas, be away from them for five months. I'm staying with friends, sleeping on their couch so this way hoping I can recover some of the losses that we've been having for the last -- since last year at least. I have to keep coming up with \$335 to yellow cab every single week. I haven't seen my family in over 50 days now. They're 7,000 miles away from me, okay? This situation is not unique to the cab drivers. There's quite a few of them like me, sitting behind me. Some of them haven't seen their families in over a year. Why? Because they cannot have a family here, pay rent, living expenses, and keep paying \$17,000 a year for a permit. This situation is not new. I was actually -- this sounds a little bit dish was forced into this situation, actually by yellow cab about a year and a half ago when my old cab came offline. And I had to --

[buzzer sounding]

>> I had to buy a new vehicle to put online so I can work and support my family. I had to borrow the money, gave my new car to yellow cab on December 1. They didn't have it ready for me until the beginning of February. For the two months they had my car, they gave me two options. Option number 1, you can sit at home, continue paying the \$330, even though you're not working, we don't care.

[3:35:48 PM]

Or we could give you a loner but we'll tack another \$200 on it.

>> Mayor Adler: Thank you.

>> I had to obey. I was paying \$530 a week to yellow cab. Every single week. I was barely making it while they're sitting -- while my car is sitting in his garage, okay?

>> Mayor Adler: Mr. --

>> Not ready.

>> Mayor Adler: Thank you for your testimony.

[Applause] The next speak is Solomon casa. And bijou Matthew is on deck. Mr. Casa, would you like me to give you a 15-second warning?

>> Yes, sir.

>> Mayor Adler: You have two minutes.

>> Okay. Solomon casa, lone star cab. I'm speaking in support of the franchise renewal. So, mayor, councilmembers, lone star cab company's primary goal is providing a safe, affordable, and reliable taxi services to the citizens of Austin. We only achieved our goal with the hard work of our drivers. At lone star, we listen to our drivers and address their concerns. Here are the factors I would like to share with you. Even though we invested heavily in infrastructure and technology over the past three years, our drivers pay the lowest terminal fee, which is 250 per week. In our eight years operation, we only canceled the contract of nine drivers, and these were relate to multiple accidents. Wrongful termination has never been an issue with Lon star and it will not be an issue in the future. If our effort of getting businesses for our drivers, I just signed a contract, exclusive contract, just last September 2014.

[3:37:51 PM]

And the estimated revenue from this single contract is \$1.2 million annually. Over the past six months

our drivers poked \$535,000 just from this single contract. Our drivers at lone star cab do well. Their incomes -- they do well in their incomes and I'm more than happy to share available data to you in the coming weeks. Because of the positive working environment, lone star cab has been the preferred company to work for by most of the drivers, and we have still several drivers on waiting list. Finally, I'm asking you to consider a long-term franchise renile for lone star and for other franchises.

[Buzzer sounding]

>> And also additional permits to accommodate the -- and provide the service we are doing. Thank you very much.

>> Mayor Adler: Thank you.

[Applause]

>> Mayor Adler: I'm sorry. The next speaker is going to be Dave Passmore. Dave Passmore.

[Applause]

>> Mayor Adler: Mr. Passmore, you also have two minutes.

>> Thank you very much, mayor.

>> Mayor Adler: Yes, sir.

>> Good afternoon, council. As you know my name is Dave pass Passmore, today I come before you once again to express our reason and course of action that we are currently taking. I'll put my glasses on here. We have a few speakers today, but I want to start with an overview. We are very happy with the steps taken by the mobility committee regarding the creation of a driver-run co-op, as well as independent chauffeur's license.

[3:40:02 PM]

[Applause]

>> We want to be clear that we're asking that all 405 permits recommended by staff be granted to this co-op. The single best way to lift drivers out of poverty they're currently facing right now. Meanwhile, we're having a second reading on the three franchise renewal as you probably know, the mobility committee will be considering our proposal for release and due process. You will hear more from my colleagues here today about the importance of these measures, but I just wanted to remind you that the current system is broken. Do not renew the franchise agreement without making changes to protect drivers. Even with the creation of a driver-run co-op, many drivers will will work for the three franchises and they deserve to work with dignity.

[Applause]

>> Now I would like -- now I would like to turn to two of my colleagues who can speak to the importance of these changes, to their own lives. Again, I want to thank you for your support so far. And we will see you here again June 4. Thank you very much.

[Applause]

>> Mayor Adler: Next speaker is Joan caval. Joan cabal. Take your time. Take your time. Ma'am --

>> Mayor?

>> Mayor Adler: Yes.

>> Is it on? Mayor pro tem, councilmembers, I'm Joan cabeli from Austin cab company. We request that council approve the ordinance renewing Austin cab company franchise under the city of Austin for a

period of at least five years.

[3:42:02 PM]

We understand that this will be discussed further in the mobility committee. Many of our contractual agreements are for five years, and we have several agreements for the upgrading of communications and other technology, equipment. Vehicle purchases by our drivers and by our company often require five-year terms, so everything would have to come to a stop if we had a one-year term. The taxi franchise continues and must continue. Otherwise, it dies. Our owner operators need to have a modicum of job security in order to make vehicle purchases and these are often over a period of five years. On item 33 we request that the two smaller taxi franchises be given the opportunity to get 50 additional permits each. One can't expect a cab company with 187 permits to compete through all categories of performance measures equally with a company that has 462 permits. And so I think this is something that needs to be discussed further. We request that age restrictions be removed on accessible wheelchair vans, as well as on green hybrid --

[buzzer sounding]

>> -- Echo friendly vehicles. As long as they test high on road-worthy tests. Other sedans and vans we believe should remain under the current age restrictions.

[3:44:07 PM]

>> Mayor Adler: Anything else to conclude?

>> Just one more point. We do not believe that additional regulation requiring trips to last a specific time -- I mean, say, a driver must get to a certain time in 15 minutes is a good idea. It's not useful to the drivers or to the franchises. It seems -- what we began with was equity between the cab companies and the t&y's, then it turned out to be equity between the two -- the three franchises. And now it's equity between the drivers and the companies. So equity has not been properly defined. But why would we have more regulations which the drivers probably do not like and we certainly don't when the t&c's have hardly any regulations.

>> Mayor Adler: Thank you very much.

>> On them.

>> Mayor Adler: Thank you.

>> Thank you.

>> Mayor Adler: Bob batland. The next speaker will be David witty. Mr. Batland, you have two minutes.

>> I'm bob batland, a leader with Austin interfaith. This morning we talked about living wages for people working on behalf of the city of Austin. Although taxi drivers were not covered in that discussion, they do serve the city of Austin. The structure of agreements --

[applause]

>> -- Between the city and the cab companies make it unlikely for a cab driver to earn a living wage. The current agreements allow the companies to impose outrageous costs on the driver yet does not require those companies to assure adequate customer service. The typical response of a cab company to a customer service issue is not to address the root cause, whatever it was, but to ask the city for

additional permits. Austin interfaith is puzzled that staff had recommended a ten-year extension with the uncertainty surrounding the different public transportation options that are epersonalling, a long-term commitment -- enear-termining, a long-term commitment seems most unwise.

[3:46:21 PM]

One year would allow a reasonable amount of time to evaluate the options. Austin interfaith has long supported opportunities for taxi drivers to support themselves. Approaches for consideration --

[applause]

>> Approaches for consideration including making permits available to qualified drivers and/or allowing them to operate their own association or cooperative.

[Applause]

>> Taxi drivers are entrepreneurs. They have creative ideas that can help Austin improve service to riders. Please extend current agreements for one year and work with the drivers to find durable solutions.

[Applause]

>> Thank you.

>> Mayor Adler: Thank you. Thank you.

[Applause]

>> Mayor Adler: The next speaker is David witty.

>> Mr. Witty, you also have two minutes.

>> Thank you, mayor and council. My name is David witty with adaptive Texas and since 1994, we have worked with the cab companies and the city staff and the council to improve cab services and ground transportation services in general for persons with disabilities, particularly those who use wheelchairs and have been denied accessible transportation by cab companies. As a group, we support all of the ordinances 30334 with some caveats. We certainly recognize there's some difficulties with the term limits on the franchise and we hope those are resolved. A year doesn't give you much time to invest in equipment and see how it's going to pay out over the long-term, but then, you know, we also understand that the franchises need time to improve their services for people with disabilities. We have particular problems, especially with the mobility committee, who has not yet addressed the most prevailing need that we have, the additional permits, the additional cab drivers, the fourth cab company.

[3:48:29 PM]

All are wonderful ideas. We greatly support those. Here's the problem. So far we've seen 3%, 6%, and 6.5% increase in the fleet size of the vehicles over the past 20 years for us and many of those times those have been in -- improvements if wheelchair-accessible vehicles. Cab drivers don't come and get us. It's that simple. They have an option to not come and get us and they have an option to not get anybody if they don't want to accept the dispatch. So we believe and we believe an oversight has happened with the mobility committee so far, they have not just addressed the question of the gps response to the nearest -- by the nearest cab to the nearest requester. So we really want you to think

about that on June 3. That single fact -- that single ordinance change alone will make accessible transportation services and cabs a reality for Austin's mobility impaired citizens. Thank you.

>> Mayor Adler: Thank you.

[Applause]

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Thank you, and you're absolutely right. The mobility committee has not yet addressed the issues on how we can make sure there's accessibility, and I want to say on behalf of my fellow committee members that we're committing to addressing that issue so we want to be talking with you between now and the next committee meeting and at the committee meeting and discuss that in full.

>> Thank you.

>> Mayor Adler: Ms. Pool.

>> Pool: Yes, I'm real glad that you brought that up and I see members of adapt here, and that was a key question that I was going to ask, if we move to an individual owner -- driver model, what assurances will be in place to -- on behalf of the community of people with disabilities?

>> My understanding from previous mobility committee meetings is that the discussion has been that a owner -- or driver-owned co-op fourth company would have possibly requirement for 100% wheelchair access and green vehicles.

[3:50:39 PM]

But that won't get us to what we need, which is the ordinance changed that will require drivers who are dispatched to the nearest demand, which is the nearest customer. And that will help folks with, you know, disability-related services and it will help every taxicab customer in the city. They'll get better service. It will be more efficient for the cab companies it. Be more financially viable for the cab drivers. We want to give them our money. We just aren't showing up. So one of the concerns that we have is that if there is a fourth company, you know, it doesn't matter if -- I mean, we want it to be driver co-op. That would be fine. If it has 100% wheelchair and green fleet. We don't want that to reduce the requirements for accessibility of the he other three companies. That's our concern as well.

>> Pool: But.

>> Mayor Adler: Any further comments? Okay, thank you. The last speaker we have is bijou metu.

[Applause]

>> Hello, everybody. Bijou Matthew from the national taxicab wreckers lines. If the council doesn't mind, I have a change in how it's going to be arranged, I would like to hand my time over to a member of a driver's family. In an all-fail male industry it's important to thrown a female voice. I wanted to turn my voice over to her after hearing lots of stories from drivers. I'll depart from this podium simply after saying that we support 33 and 34, the co-op and the chauffeur license permit and we oppose the franchise renile for one year because it needs to come with a lease cap and needs to come with due process rights for drivers so that they can get economic security and job security.

[3:52:48 PM]

Thank you so much.

[Applause]

>> Hello. Good afternoon, council. My name is [indiscernible] And I'm speaking on behalf of the women, men, children and extended families of the Austin cab drivers. Before you, you see in the audience are many of the drivers but also behind them there are M men, women, and children who are dependent on them for their livelihoods. So on the issues today relating the -- amending the city code chapter 13-two and inducing a fourth franchise I'll be speaking in detail more about that. First I would like to mention that each cab driver is an ambassador here for the city of Austin. And they are assets and -- in how they provide their services to fellow austinites and also the visitors who come to Austin. Considering the current laws drivers are stretched very thin and working 12 hours, seven days a week just to make ends meet. Most of them are foreigners like myself, coming here to America in search of a better home, a home where they can provide for their families as they escape war or prosecution. They come here assimilating into this system and they work so hard to achieve self-sufficiency and to contribute to the society here in Austin, Texas. With the current working issues, it is very difficult for them to survive and thrive. Example, how do we -- how do we -- how do we -- how does a cab driver go home and tell their families after working seven days a week, night and day, and not able to pay their rent, not able to put food on the table, not able to even pay for anything for their children's school fees?

[3:54:49 PM]

[Buzzer sounding]

>> May I continue?

>> Mayor Adler: You should conclude your thought.

>> Yes. So in regards to the co-op, the co-op I think will provide them stability, and stability because the many companies here that spoke today charge over \$250 to \$335 a week, and as Hasan was stating earlier and I'm echoing what he was saying, he's no longer with his family because even as he's not working he is having to still pay 340 something fee and that's not viable. There's other -- co-ops in San Jose, California, and their co-ops only provide about one-third of that payment, about \$100 to \$150 a week and allows them to provide for their families and still continue to work.

>> Mayor Adler: Thank you very much.

[Applause] I want to say thank you to all the speakers as well as the other folks that came to support the speakers. We're now back up to the dais. I'm going to support the continuation of these on second reading so that you can get them back into the committee, recognizing you still have issues to be able to resolve and work through. But that's how I'll be voting. The issue on the floor is to approve on second reading the -- these items 30 through 34. Any further admission Ms. Kitchen.

>> Kitchen: Procedurally the items on second reading are 30, 31, 32, because those are the franchise agreement.

>> Mayor Adler: Okay.

>> Kitchen: 33 is the changes to the ordinance. There's the -- that we talked about earlier, including the chauffeur's license going with the driver.

[3:56:52 PM]

And that one we could approve on all three readings because it's an ordinance change. And then number 34 is the resolution incremental directing the city -- directing the city manager to -- that one we could approve on all three readings also.

>> Mayor Adler: Do you want to keep 33 still alive while you're continuing the remaining discussions that you have on 31 through 32 in the committee.

>> Kitchen: The the reason I don't think it's necessary, although we'll probably have additional changes it will probably be to different sections. What 33 does right now, the specific recommendation that's came forward. So I don't think we need to keep it open. I mean -- do my committee members agree.

>> Zimmerman: I think we divide the question then. It sounded like you -- so which ones do you want to consider together for second reading?

>> Kitchen: Second reading would be 30, 31, 32.

>> Zimmerman: I'd like to amend that motion I made for 30, 31, 32, consider that on second reading only.

>> Mayor Adler: Any objection? With none, the motion before sus 30 through 32 on second reading only. Any further discussion? Those in favor raise your -- Mr. Casar.

>> Casar: I would want to just touch base briefly about -- I know in the last mobility committee hearing there was a question about the age of cabs. Is that something collided in this one.

>> Kitchen: That's in 33.

>> Casar: Okay. I just -- I'll make sure to be at the next mobility committee hearing. I just do want to make sure even if cabs do pass inspection, I know they're driven so much I want to make sure they're safe for both drivers and passengers. I imagine y'all have heard testimony on that. As some folks commented today it may be wise for us to limit how old we can -- I'm fine with passing it on second reading but I wanted to note that as --

>> Mayor Adler: Would I add that I've also had some other questions people have raised with respect to 33 and I think --

[3:58:54 PM]

>> Kitchen: Pass it on second reading.

>> Mayor Adler: If you could keep and hold 33 for an additional period of time I'd feel more comfortable with that as well.

>> Kitchen: Okay, 30, 31, 32, 33 will be on second reading.

>> Mayor Adler: Is that okay with everyone?

>> Zimmerman: So amended.

>> Mayor Adler: Okay.

>> Kitchen: First and second, yes.

>> Mayor Adler: So we're passing second reading. The motion is to approve on second reading, 30, 31, 31, and approve on first and second reading item 33. Yes.

>> That's exactly what I was going to suggest.

>> Mayor Adler: Okay. See how good we're getting up here.

[Laughter] All right. That's the motion. Second reading on the three, first and second reading on 33. Ms. Troxclair.

>> Troxclair: I just want to clarify. So item number 33 has to do with the chauffeur's license.

>> Kitchen: You want me to run through it? It's more than the chauffeur's license.

>> Troxclair: Okay. It also includes the issue that councilmember Casar raised?

>> Kitchen: Basically what it says is as long as all of the safety inspections are met, then that -- that's what determines how long the car can be kept -- how long the car can be kept. So there are safety inspections. It's not just an open-ended a car can be kept, you know, forever. They have to pass the safety inspections and the thinking of the committee was that the safety inspections are designed to determine if a car is safe. If our safety inspections are not doing that, then we need to reexamine our safety inspections. So that's why it's -- that's why it's written that way.

>> Casar: Mr. Mayor.

>> Mayor Adler: Yes, Mr. Casar.

>> Casar: And councilmember kitchen, I will -- if you feel very confident that that is an all right measure, then I'm fine moving forward and not holding that back. My concern was that we did have a certain higher level -- my understanding is we had a higher level of safety with the age of the cabs prior to -- right now, with this ordinance not amended and I just wondered if there was a midpoint considered or if we just wanted to go to the safety -- the state safety inspections.

[4:01:13 PM]

I just had not had too much time to think about it but if you feel very strongly that it's appropriate, then I am fine with that. I just don't want to too quickly make changes that could really bring down the level -- that could potentially significantly bring down the level of safety.

>> Kitchen: I'm fine with it on second reading. We're -- we're trying as a committee to make sure we have plenty of discussion so there's no reason to require that one on third reading. We can keep it on second.

>> Mayor Adler: Ms. Tovo.

>> Tovo: I did want to -- since we're talking about that issue, just ask that -- some other -- are you aware of what the practices are in other cities? Do other cities just rely on the safety inspection reports? Do you know.

>> Kitchen: I'd have to go back. I don't remember. We can talk about that further in the committee.

>> Tovo: Sure. And I assume that probably the committee also talked about Ms. Cabeli's suggestion about having the two tier -- I think her suggestion was energy-efficient cabs and accessible cabs might have a longer time frame but that the committee felt like as long as the safety requirements were being met that there was not a need to --

>> Kitchen: I think one of the committee's -- and y'all can weigh in, also, one of the committee's concerns is that we really focus on policy and that we not have a whole lot of requirements that go beyond what we're trying to achieve with the policy. We're trying to simply to the extent that we're still achieving the policy concerns. So --

>> Tovo: I mean, it sound like you've given this significant thought and that this might be the right direction to go on that. On that issue. Thanks for the additional explanation.

>> Mayor Adler: Mr. Zimmerman, then Ms. Gallo.

>> Zimmerman: Just to follow up on that. Part of our discussion was that we have cab drivers and

franchises.

[4:03:14 PM]

They are not going to put dangerous cars out on the roads. Common sense. And it seemed like the age of the car, it's kind of an arbitrary limit because if the car is not safe, it's not going to pass inspection and they're not going to put it out on the road, respect, uh, of the age so we wanted to remove that arbitrary constraint.

[Applause]

>> Mayor Adler: Ms. Blow.

>> Gallo: Gist mirroring that conversation, I think the goal of the mobility committee is to make sure that our policies are directed in the areas that impact public safety, and that we get out of the way or in the middle of business role models and business practices. So I think, as you see us talk and bring forward and discuss, you know, the interests of public safety is going to be of up most concern in our policy discussions and we want to get away of the minute melanieing of different businesses in the city when it's not actually items that affect public safety. And as far as the cars, I think, you know, there's cars that unfortunately last for a year and there are cars that last for longer than that. So I think it's the safety factor of the car, not the life of the cars that important.

[Applause]

>> Mayor Adler: Thank you for continuing to carry this one just on second reading. Anything further? Motion is to approve 30, 31, 32 on second reading and 33 on first and second reading. Those in favor, raise your hand. Those opposed. Unanimous with Ms. Garza off. 34, is there a motion to approve 34 on all three readings?

>> Zimmerman: So moved.

>> Mayor Adler: Just to approve it. It's just a resolution. It's been moved by Ms. Kitchen, seconded by Mr. Zimmerman. Any discussion? Further discussion? Those in favor raise your hand.

[4:05:17 PM]

Those opposed. Unanimous on the dais, Ms. Garza off.

[Applause]

>> Mayor Adler: We're now going to move bra the taxicab issue but before y'all leave I would respectfully request when you leave you leave as quietly as possible so that we can hear each other as we move on to the next item. Thanks for participating.

[Applause] I think that gets us on our -- let me try. If y'all could -- I don't think they heard me. So I think that the next items that we have -- shhh. The next items are items three and four. I think they're both still pulled at this point. Item number 3 was pulled by two speakers. The two speakers we had for that were Mr. Pena, Gus Pena, and James gains. I don't know if they're still here I don't believe so. That gets us then to three and four up on the dais. Anyone on the dais want to discuss items three and four from ems? Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. Tony marquett from Travis county ems was here earlier and I don't know if he's returned.

>> Mayor Adler: Let's ask that question.

[4:07:20 PM]

Tony what. I had heard -- Tony? I had heard that he had to leave.

>> Zimmerman: Is it a good time to --

>> Mayor Adler: Let's do this -- let's do three. Is there a motion to approve number 3 from councilmember tovo. Is there a second? Mr. Renteria. Any discussion on item number 3? All in favor of item number 3 please raise your hand. Those opposed? It's unanimous on the dais with Ms. Garza gone. That gets to us item number 4. Is there a motion to approve item snore Ms. Pool. Second. Second on number 4? Ms. Houston. Mr. Zimmerman, you want to discuss item 4?

>> Zimmerman: I would, thank you, Mr. Mayor. I'd like to speak in opposition to this, but I guess if it's in order I'd like to make a substitute motion that we send this to one of the committees at your choosing. So I would like to see item 4 go to committee.

>> Mayor Adler: There's been a motion to send item number 4 to committee. Is staff here? Would you talk to us real fast about the -- any timeliness issues associated with this matter.

>> Yes, sir, James

[indiscernible], chief of staff and assistant chief for ems department. Thank you. There is no timeliness on this item. It's simply an FBI medic already licensed and certified to allow him to ride as observation on the ambulance about once a quarter, maybe some other individuals as well.

>> Mayor Adler: So would thereby time for this to go a committee to take a look at it without messing things up?

>> Timing is not an issue in any way, sir.

>> Mayor Adler: Okay. Second to the motion to send to committee. Ms. Troxclair. Any discussion? Those in favor of sending it to committee --

>> Houston: Went too fast.

>> Mayor Adler: I don't want to go too fast. That's okay.

[4:09:21 PM]

>> Houston: Councilmember Zimmerman keeps his finger on the button. I have to find mine.

>> Mayor Adler: It's like jeopardy over here.

[Laughter]

>> Mayor Adler: We'll slow down.

>> Houston: So it's my understanding this is just to keep certification up. So the same kinds of observations or course work or training that a lawyer might have to do to keep their credentialing, right?

>> No, ma'am. It's simpler than that.

>> Houston: Okay.

>> Within the way I understand it within the FBI there's about six individuals that, in addition to their role in law enforcement, they're also certified as an emergency medical innovation their interest in riding with us is just so they can get some exposure to medical calls in the event they have to use those medical skills in the context of their swat operation. The medics -- this doesn't represent any additional

work for our medics. They don't fill out any paperwork or anything on these individuals. And in working with Mr. Attorney [indiscernible] With the association, I certainly won't speak for him, but in our discussion this morning, there was some confusion about whether this was part of a different program and it's not. So this is simply a ride-along observation.

>> Houston: No contact with people who are -- who the unit is going out to take care of? They're just there to observe?

>> He would be with the crew during the course of them taking care of those patients, but he's not there functioning as a crew member or a medic and certainly not in any law enforcement capacity. He would be in plainclothes similar to citizens or students or the appearance anyone else is riding with.

>> Houston: Just an observer.

>> Correct.

>> Houston: Mayor, I'm not sure why we need to send this to a committee.

>> Mayor Adler: I'd ask Mr. Zimmerman to explain what his thinking was if that's okay.

[4:11:22 PM]

>> Zimmerman: Let me do that. Thank you, Mr. Mayor. I was allowed to go out on a Rideout -- I've been on two ride cross with APD and of course on the Rideout I simply go and observe. I don't get involved in anything. So why couldn't somebody just today go out with us doing nothing? In other words, if we do nothing with this, if we send it to committee or tabled it or killed it, what would stop something from going out on a Rideout?

>> For the average citizen or for anyone else, nothing at all. That was our first thought when we had the discussion with them. But because this gentleman would be technically on duty, the FBI wanted to create an agreement so -- to formalize the fact was that riding out. But you or anyone else in the community could ride and do the same thing without this type of an agreement. So this was the wishes of the FBI to have some formality to that relationship because he's here and riding on duty.

>> Zimmerman: Then that sounds interesting. So I'm reading this. It says authorize negotiation and execution of an agreement. So would you have any objection if I simply omitted the words "And execution"? In other words, if we were to vote today to authorize negotiation of an agreement, you bring the agreement back to us and then we vote on the agreement, we deliberate and vote on the agreement. Wouldn't that make more sense than putting out a bank et you do whatever you want and we give you blanket authorization?

>> That would be fine with me. That's an issue of law, I think, for the language and how this is written. I would defer to them on how to word that.

>> Zimmerman: That's one of the reasons I wanted to send it to committee. That's a conversation. Another question I had is still unsure -- I got several answers about this. Does the FBI have its own emergency medical technicians?

>> Yes.

>> Zimmerman: Though.

>> Certain divisions like swat in this case.

>> Zimmerman: That's the question I have. I'd like that to go to committee for deliberation.

[4:13:24 PM]

I'm asking why are we duplicating services? We have a good Travis county emt team. Why would we duplicate emergency medical services on a federal FBI level or a swat level? Why would we duplicate that nervous I'd like to have that deliberated. I'd rather see our services, right, at the county -- we have a county, you know, emergency medical team and that's what we use for everybody. We don't duplicate that at the FBI or swat team.

>> Mayor Adler: Further conversation? Ms. Tovo and then Ms. Houston. Then Ms. Troxclair.

>> Tovo: I appreciate councilmember Houston asking that question and appreciate councilmember Zimmerman for providing us with more information about the kind of discussion he would want to have in committee. I think gentle it makes a -- good sense to authorize a negotiation and review the agreement again as a council if it's something involving money and various other exchanges between the city and another party, but I'm perfectly prepared to vote on today to negotiate and execute this agreement because it seems like a fairly routine matter. I don't have concerns about an FBI agent or staff member riding out on our ambulances and if I understood -- well, anyway, I'll just leave it there. I'm happy to support the motion as it is -- excuse me, the item in our backup as-is. But I appreciate the questions from councilmember Zimmerman.

>> Mayor Adler: Tony, did you want to speak that one number issue?

>> Four?

>> Mayor Adler: Yes.

>> Sure.

>> Mayor Adler: Is that okay?

>> Can I ask a question first of our staff.

>> Mayor Adler: Ms. Troxclair.

[4:15:25 PM]

>> Mayor Adler: Hang on one second, Tony.

>> Troxclair: Sorry. Just had one question really quickly. I asked at work session how FBI -- how these FBI medics are receiving training right now. Because I understand this is the first time that we're having FBI agents on ambulances. So do you know -- were you able to find the answer?

>> They go to school and receive their initial training, and then like all emts or paramedics they're required to either online or in person complete continuing education. It's not required for them to ride on an ambulance to maintain their certification or license. This is just something that this one individual and possibly some others would like to do above and beyond anything that's required just to maintain some exposure to medical calls and stuff 90 they need to use those skills in the capacity of the FBI somewhere in Texas or wherever in the country they're running their particular mission. And, again, there's no exchange of monies or anything in this relationship. It's simply allowing them to schedule probably a 12-hour shift during the day, get on an ambulance and do an observation ride periodically.

>> Troxclair: Okay.

>> Mayor Adler: Okay? Mr. Marquott, would you come up? So the conversation, there was explanation

as to why the request is being made and why it needs to be made for a federal officer. Have you heard those answers?

>> Yes, I believe so. I'm president of the austin/travis county ems association. Usually what we do when ems items come up on the agenda is try to vet them as well as we can. There's some confusion over the information that was being provided and this morning it seems like a lot of those issues have been resolved. It's my understanding this is a no-cost situation and it does not impact our field training officers.

[4:17:28 PM]

Initially that was the concern, that that potentially could have affected our budget and our ability to train. From what I understand and hopefully you're getting consistent information that this won't impact the field training officers. The Rideout is noneducational in nature and just observational only is my understanding so I have no issue with this agenda item.

>> Mayor Adler: Thank you.

>> Zimmerman: Before you go. I'm sorry.

>> Mayor Adler: Questions?

>> Troxclair: Thank you for providing -- e-mailing us this morning and providing with us information from your perspective and I wanted to ask, one of the things that you brought up was simply the capacity in ambulances ambulances and how you already have, I think, two -- normally three people additional on the ambulance that are being trained at one time. So is there any issues about the -- just the sheer number of people that we have involved in -- even if they're just observing the capacity?

>> So far, the capacity we can reach -- I was just making the point that is actually a finite amount so when we have to train our own cadets and we have to have our own promotional experiences and retraining, that can become crowded and we've seen that happen on occasion, where we have multiple people on one ambulance. So if this were anything other than what it is, I would suggest that we revisit how we were going to deploy that model just to assure that we had enough resources to train our own people and move forward in a responsible way.

>> Troxclair: Right, okay. And I don't know which one of you this question would be for, but I guess I'm confused because somebody said that the FBI does have its own ems division. So why are they not -- why are these people not able to go observe in their own ems vehicles in situations and emergency medical --

>> Well, they have ems personnel as relates to, in this case, a swat team.

[4:19:29 PM]

So if that swat team was called in on a federal scene, then part of that team includes people on it that could provide immediate medical care if they're in some sort of situation. They don't do ems as we know it.

>> Troxclair: Okay.

>> They don't have ambulances. This is part of their mission, integrity group, kind of like what we do with the Austin police department and Travis county sheriff's department. When they're called out we

join that team to take care of those officers and anyone that that swat team may impact interact with that might need care. They do that on a federal level with the FBI so there wouldn't be overlap or duplication of service in that case.

>> Troxclair: I mean, I certainly understand the benefit of, you know, cross-training and sharing resources and things like that, but I do -- just with all of the attention that has been on the strain that our ems professionals have been under recently, I just -- I do -- Tony, if you have further concerns and if timing isn't an issue then do I want to make sure we address any issues that you see from ems personnel stress level capacity perspective.

>> Well, thank you, councilmember troxclair. For this particular agenda item, I have no concern in that capacity. I am glad to meet with each of you, and I know that councilmember pool and councilmember Casar have been very useful in trying to help us understand some of our issues, and I believe also the committee of public safety is going to be another after mu for us -- avenue for us to address concerns. Thank you for recognizing that.

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: Thank you. Quick point, though, I know that in your work with the association, written agreements, right, are very, very important part what we do. And even when we have written agreements, sometimes we have misinterpretations, right, or different interpretations of written agreements.

[4:21:30 PM]

What I'm looking at here, I have nothing in front of me. I have no agreement that I'm voting on. So I would think you'd be a little bit more nervous about what we'd be agreeing to because there's absolutely nothing in writing. And when we say that we have certain expectations or we have certain understandings there's nothing in writing. I would be hopeful that you would support the idea of going ahead and getting an agreement in writing and making sure it matches the expectations we have now.

>> Mayor Adler: In a courtroom we call that leading the witness.

[Laughter]

>> Zimmerman: Sorry about that.

>> I think there is a little bit of ambiguity in that PDF which caused -- it does say something about training related to certification so that does cause some confusion, but from everything I'm hearing from management now that it's been kind of publicly vetted, I believe that that issue has been taken care of as far as my concerns over them go. But I do agree with you that it would -- couldn't hurt to have more specific language so that that level of confusion can exist in the future possibly.

>> Mayor Adler: Further conversation on this matter? Item number 4 --

>> Renteria: Want to make a motion to approve.

>> Pool: I'll second that.

>> Mayor Adler: Okay. Is that where we are on this?

>> Zimmerman: I thought there was already a motion.

>> Mayor Adler: What was it.

>> Zimmerman: I wanted to make an amendment to strike the words "And execution."

>> Mayor Adler: It's been moved and seconded as listed on the agenda. Mr. Zimmerman makes a

motion to strike the words to execute." Is there a second to his motion to strike the word "Execute"?
Hearing none, we're back to the consideration of the main motion.

>> Call the question.

>> Mayor Adler: Any further debate? No further debate -- she's called the question.

[4:23:31 PM]

>> Zimmerman: Oh, called the question.

>> Mayor Adler: She called the question but there was no further debate on the dais so we'll go to a vote. Those in favor of these item number four please raise your hand. Those opposed. Unanimous on the dais with Mr. Zimmerman voting no, Garza off the dais and troxclair voting -- abtraining. The next item we have is item number 9. Item -- no nap was done on consent, right? Sorry. That gets us then to item number 12. Item number 12 was pulled by Ms. Houston, as well as some some -- Mr. Zimmerman.

>> Houston: Mayor, while councilmember Zimmerman is getting his place, I have just a quick question on 12. This is the first time I've seen this language. Procurement program through achievement of good faith efforts. What exactly does that mean?

>> Mayor, councilmember, James Scarborough, I have with me the director of sbr who can probably explain that in a little more detail.

>> Zimmerman: Can't hear you.

>> Houston: He's so tall.

>> Councilmembers, Veronica, director of the small resource business complaint top to be complaint with the wme our mbe program, on this particular project we did set goals and the respondent didn't meet the goals but did provide good-faith effort. They did have participation and I believe they slightly did not achieve one of the goals, which was the WBE goal and that information is in your backup.

>> Houston: Could you not use the acronym so that people who are watching know what you're talking about.

>> Absolutely.

[4:25:31 PM]

Mbe, minority business enterprise and WBE, women business enterprise. So because they did not achieve the goals in their attention we -- entirety we look at good faith efforts, did they contact all the available firms for the scopes of work, did they ties in a newspaper, contact trade associations and so forth and did they do what they could in every attempt to meet those goals.

>> Houston: Thank you.

>> Mm-hmm.

>> Mayor Adler: Further questions on this item 12? Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. So could you help me understand because typically when we have networks, it networks in place, we categorize, is this an enterprise, crucial system here? In other words, if the current -- if this current system were to go down, what things would we lose immediately?

>> Councilmember, I should defer that to representatives from ctm.

>> So, makers council, Stephen Elkins, it director at ctm. If the network --

>> Mayor Adler: Ctm is --

>> Communications and technology management. It department at the city.

>> Mayor Adler: And it is.

>> Information technology.

>> Mayor Adler: Thank you.

[Laughter]

>> So if the networking is, do then we have no connectivity between the data center computers, the different buildings, and so we have no means of transmitting information back and forth and running critical applications across the city.

>> Zimmerman: Can you help me understand why we got only one proposal? I asked -- that was in the q&a that we put here.

>> Yes.

>> Zimmerman: We were struggling to understand how we got one respect to 708 notices.

>> So this is the third phase, final phase, of the network upgrade. We have made a technology decision at phase one.

[4:27:33 PM]

The technology that we selected, there's only three vendors in the United States who provide that, that type of work, and that solution. And so we actually contacted all three of the vendors who provide this type of service, and only one of those chose to respond.

>> Zimmerman: Okay. But there's quite a bit of money at stake here. Typically when you put out a -- when you put out a system at \$4 million it attracts attention.

>> The -- best case would have been we had three responses. We got one. We did contact and solicit all three firms who provide this type of service.

>> Mayor Adler: Any further comments or questions on this item 12? Is there a motion to approve item 12?

>> Houston: So moved.

>> Mayor Adler: Ms. Houston. Second? Ms. Tovo. All in favor of approving item 12 please raise your hand. Those opposed?

>> Zimmerman: Abstention.

>> Mayor Adler: Years old I have about six votes.

>> Zimmerman: I'm abstaining.

>> Mayor Adler: Do we need six votes to approve if we have majority on the dais? We need six votes. I'm going to hold off --

>> Zimmerman: You can table it until people come back.

>> Mayor Adler: Oh, no, 6-1. I counted wrong. Sorry. One, two -- I didn't count myself. All right, so that's approved 6-1, Mr. Zimmerman abstaining, sorry for the scare. Y'all can go back to eating.

>> Zimmerman: Mr. Mayor, the taxpayers might still be scared.

>> Mayor Adler: That gets us to item number 16, item number 16 was pulled by councilmember troxclair.

[4:29:38 PM]

>> 15.

>> Mayor Adler: 16. Longhorn car truck rentals.

>> Troxclair: I know councilmember Gallo had questions about this item if she is out there.

>> Mayor Adler: Do you want me to come back?

>> Troxclair: I know she had questions too. I'm happy to ask my questions, but it may make more sense to wait until she comes back.

>> Mayor Adler: We'll come back to this item and we'll go to item number 19. 19 is approving the city authoring the submittal for a grant program. We have three people that have signed up to speak if they're here. Is David Witte here? Is hawith a solowits here. Is Jennifer Mcphail here? None of the speakers are here. Is there a motion to approve resolution -- Ms. Houston moves, Mr. Casar seconds. All in favor of item number 19 please raise your hand? Those opposed? It's unanimous on the dais with Garza, kitchen and Gallo off the dais. Next item is item number 22. Item number 22 relates to the challenge petition. We have several items on this agenda that relate to the -- this. It's 22. It's also 44 and 47.

[4:31:47 PM]

We're going to call -- I'm going to call 22, 44 and 47 all at the same time because we're not going to take action on this item today, but I want to give people the opportunity to speak. Expect to item number 22 we have speakers that are identified. And I'm going to call up the speakers on 22, 44 and 47 all.

>> Tovo: Mayor, I was going to ask, since this is also associated with a briefing, would it be possible to do -- I think 16 we have some staff who have been waiting all day for that one.

>> Mayor Adler: Let's go ahead and do that. So we're going to call up the briefing right now on the challenge application issue and then we'll call the speakers. Are we okay with this? So the --

>> Tovo: Mayor, I'm sorry, I was trying to suggest that maybe we could do the additional item that we had last from the consent, 16. I don't think we have any citizens signed up, but we do have some staff who have been waiting and we were waiting for our councilmembers to come back who had questions. I don't know if it would be a fast matter. I thought we might be able to dispense with that before we move to our briefing.

>> Mayor Adler: That would be fine. We have item number 16. We're all back on the dais. Ms. Troxclair, did you want to ask your questions? Ms. Gallo, you may have had some as well. Ms. Troxclair.

>> Troxclair: Thank you for staying all this time. I want to understand how -- I am trying to find my notes, but can you tell us -- can you give us an overview of why we have rental program in the first place?

[4:33:52 PM]

We have of course our own fleet of vehicles that we own for the city, but we're spending I guess over a million dollars on rentals as well. Can you just give me an overview of the purpose of that?

>> I'll be glad to do that. Jerry caulk, fleet officer for the city. We use this contract as needs come up during the year outside the Normal acquisition cycle so that if a vehicle gets wrecked as an example or

suffers a catastrophic system failure that would cause it to be non-economically repairable, this gives us the ability to procure a vehicle for a short period of time so we can meet that department's needs without going and buying a vehicle off the lot U which is significantly more expensive. Because of the way it's structured we originally had the budget for the purchase of a vehicle, then we bring it back to council after we -- as the manufacturer's production cycle goes into effect we bring it back to the council to approve the actual purchase. Then we place the order with the vendor and it can be sometimes a few weeks up to six to nine months before we actually get delivery of that vehicle because of manufacturer's buildout cycles and us getting that much cheaper price on that vehicle that if we had gone and bought that vehicle off the lot. So we use this contract on an interim basis until we can put the vehicle in a normal acquisition cycle in order to meet the department's needs. In addition, we use it earlier for seasonal needs such as the parks and rec department's summer youth program so we don't have a vehicle all year-round that we only need a few months out of the year.

[4:35:54 PM]

It's more cost effective to rent that for a few weeks that we need it than to purchase a vehicle and have it sitting somewhere in our lot for several months unused. So that's the two ways, the primary ways that we use this. There can be a number of things that will create an interim need for a unit besides just a vehicle being wrecked or suffering a failure as a department may do a reorganization, reassign somebody, reclassify a position that would create an interim need for a vehicle, we also use that. We currently have about 37 units that are actually leased through this program right now. As we go through the acquisition cycle we'll actually put those in the acquisition cycle and buy permanent replacements, assuming that will be long-term need. This also gives us one other thing, the ability in emergency situations, and I refer back to the Halloween flooding event where we had a number of vehicles that got flooded and where departments because of the unusual circumstances might have had additional needs for vehicles. We can get vehicles through this contract to meet those needs and keep the departments fully operational until we can acquire a vehicle on a permanent basis to meet a need or until the need itself may go away because it was a temporary need.

>> Troxclair: So how long is this additional \$149,000 expected to last?

>> That will serve us through the existing three months of the contract. The original inception of this contract was in 2012 when we proposed the amount of money we thought we were going to need for the first three years, that amount was actually reduced from the dais when that contract was approved with the understanding that if we needed additional money before the termination of a contract we would come back with an amendment for that contract, and that's why we're here today.

[4:37:56 PM]

We don't always know what the cost is going to be through a three-year term of the contract because we can't anticipate things like catastrophic vehicle failures, wrecks, emergency situations like the Halloween flooding.

>> Troxclair: Yeah. Going back and looking at the history of the item I saw that councilmember Riley had expressed concerns about the growth in the funding of this particular area and had made a motion that

passed unanimously to reduce the amount of funding, which made me look into it a little bit further. I understand that at that time there was a factor in where there was a 20% inflation cost factored in. Are we exceeding -- because you're now coming back to ask for additional money does that mean we exceeded the expectation of 20% inflation.

>> We didn't exceed the expectation of the original dollar amount that we put in the proposal we submitted to council, however because they did take \$224,000 out of that amount when the contract was approved initially had that \$224,000 remained in there we would have had sufficient funding under the contract that we wouldn't be here to get an amendment today.

>> Gallo: As we start towards the asking and how to more efficiently run the departments, I just have some questions. I think it follows along councilmember troxclair's question, so it looks like from the original contract that this budget cycle from 14 to 15 -- actually, the contract renewal, which would have covered the period from may of 14 through may of 15, which is now, you had a portion allocated for the contract in the second extension?

[4:40:01 PM]

>> I will ask my assistant about this. Here she comes. I'll get my subject matter expert here on the actual dollars. For the different sectors.

>> Good afternoon. I'm sorry, what was your question?

>> No, and thank you for being here to answer the question. I was looking at the original contract and it was -- it started in may of 2012 and so the first year was at -- let me read the Numbers. The first year was at 1.2. Almost 1.3 million. Then we had three extensions. The first one being 604. The next year extension option 725 and the final one at 870. So as I read it the current may of 2014 through approximate may of 15 was -- through if may of '15 was for 725, the amount. And you've talked about the council reducing your budget for that, but I'm trying to understand when you've done a contract and you've budgeted for a certain year it just seems like we're coming back. This is about a 20% ask over the 725 that was allocated in the contract for this period. So I'm just trying to understand why we're getting so far off of the amount that these contracts are coming to us to be approved because this brings up the discussion of when we're approving contracts and they're multi-year contracts, we're plugging money in and I understand there's appreciation and I understand there may be different needs, but to me a 20% increase is pretty substantial over what the original contract was. I just want to know why we're having difficulty being tighter with our contracts?

>> One of the things that we address with the 20% is unforeseen needs if there's an emergency like a flooding event or any other emergency.

[4:42:04 PM]

What actually happened here is that during the budget process council authorized additional programs and additional fte's. For example we brought the cemetery project in-house. We authorized an additional program, fire mitigation for the airport and other program for code compliance. And with those additional programs came fte's and the need for vehicles. So to bridge the gap between the time it takes us to do an acquisition to meet their immediate business needs we rent it. Actually, the increase

that's before you right now would bring year three of that contract to I think is around 470,000. It's not the 750,000 that you're looking at. So we have really made a concerted effort to curb the cost where they had long-term needs we have actually bought vehicles to cover those needs. The rental contract is really designed for short-term needs. We're really below that amount, including this increase.

>> Gallo: I guess it's confusing for us to understand the data that's presented from the standpoint of trying to develop policy that's fiscally conservative and efficient. It would be helpful I think in the data that we're supplied with, and I may be the only person feeling a little confused in all of this, but we look at what you present and it shows what the initial contract was and it shows the amounts for the year extensions. I think what I'm hearing you say is you were actually below what was authorized in the contract for the extension period.

>> Right. The extension periods were not authorized as a part of the contract. We were in what would be the third year of the basic term originally. It was a 36 month term with three one-year options.

[4:44:09 PM]

The three one-year options went away so the initial first, second, third year that's where we are right now. We're in the last year of that base term. So again, because of the additional authorizations during the budget process we had additional vehicle needs that were unforeseen, and unanticipated and unauthorized because council -- they actually set a set amount, the same amount for each year of the contract so we didn't have that 20% amount to cover these unforeseen needs or program changes or operational changes.

>> That's very helpful. I think part of it is we have to kind of wade through the backup information and kind of figure out what happened then and what's happening now. So what I understand is that this amount is part of this current year's budget and it's not in addition to budget.

>> It's important to remember when we propose a contract amount like this it doesn't necessarily mean we're going to spend that. A. It's simply to get authorization for that amount in case anticipated needs do come up. And she mentioned the cemetery program. That was one that was of particular interest because parks and rec was required to assume maintenance of cemeteries on a very, very short notice in the middle of the budget year so there was no way to go back in and budget for the equipment that they would need. We use this contract to provide that equipment so they could take over the maintenance roles in the cemeteries to take over on a permanent basis.

>> I guess what I'm reading is the source of funding. The funding what we're asking for, the 149.5, is actually going to be paid out of the current budget that you have. It's not an additional funding that you're asking us to come forward with. It's actually part of your budget.

>> Right, the additional council authorization to spend it.

[4:46:10 PM]

>> But it has been accounted for if your budget already.

>> That's correct.

>> Gallo: Thank you.

>> Zimmerman: Thank you. I wanted to tag on to what councilmember Gallo said because I'm constantly

confused and bewildered, but most of what my problem with this is I can't tie what's being asked for to what was in the budget from last year and a comment was just made when you have unforeseen or unanticipated, those are not budgeted. It was not budgeted, unforeseen and unanticipated, and it was not budgeted for. And another remark that was made is somebody made a policy decision midyear in the middle of a budget to switch from expenses from one department to another. You see what confusion it causes. If we're not following the budget you adopt have the information to understand what budget line or -- I can't tell what's going on. I can't tell if we're spending more money, I can't tell what's going on here. What I'm going to ask for in the next budget cycle is when these expenses -- tens of millions of dollars we need to really be able to tie those to what the budget was. And staff needs to stick with that budget because if you don't stick with the budget you start moving funds back and forth between groups, we can't tell what's going on.

>> I'd like to invite Sarah up here to address the cemetery issue is a typical issue that came up in the middle of the budget year. Maybe she can address out that happened.

>> Gallo: Just one second. I think we're going far afield from the item that's posted. We're talking about fleets and now we're talking about the cemetery master plan. If we could keep this on the agenda and I would like to move the question.

>> Second.

[4:48:17 PM]

>> Mayor Adler: All right. There's been a motion to cutoff debate on this issue, which is on item 16. Is there a second to the motion to cut off debate. Mr. Renteria? Those in favor of cutting off debate please raise your hand? I'm sorry, please raise your hand? We have tovo, pool, kitchen, Gallo, Renteria, Houston, Casar. Those opposed? Zimmerman. I abstain. We'll cut off debate. Those in favor of approving item number 16 please raise your hand. Those opposed? It's unanimous on the dais with the exception of Houston and Zimmerman vote no and Garza off the dais. So the item is approved. Thank you.

>> Thank you.

>> Mayor Adler: Councilmembers, we have almost 20 items that are left on the calendar. We have a couple that have more speakers signed up than others. I'm going to hit real fast the ones that have the greater number of speakers so that they can move. That gives us two items. It would be the cag item and the drainage item that we're going to cover next. Hopefully before we get to break. We'll do the cag item first, which is item 40, refusal from the committee. It's also item number 26, but since this came from a committee we're going to treat it that way. We have eight people signed up to speak, but only four of them -- the other ones have folks passing time. We have four speakers speaking for this. We'll recognize them. Before we do, Mr. Casar, could you set us up where we are.

>> Casar: Yes. Thank you for the opportunity because I hope some of the speakers will speak to the points we'll lay out here.

[4:50:21 PM]

I want to give my apologies for those waiting for this item to come back to council. We've hit some understandable speed bumps in trying to sort out committee recommendations from different

committees wind up to the agenda. So to clarify what my motion is is exactly the planning and neighborhood's committee recommendation, which neither the ifc nor the committee report actually captured, but that recommendation is the flanking and neighborhoods committee represents that councilmembers representing districts two, three, four and seven and the mayor may each nominate one additional member to the land development code and these nominees, we should make our best attempts to include renters, renters advocates, green builders and land professionals, neighborhood advocates and neighborhood association leaders, especially we heard from the community that there is officers from the Austin neighborhood's council, small business and those with expertise related to the economic impacts of the code rewrite. Those nominees of course must be approved by the full council and their terms shall expire if the cag does indeed expire in September of 2015. I know there's an amendment from councilmember kitchen, but I want to move that since that's what's on the agenda now.

>> Mayor Adler: There's a motion from Mr. Casar. A second to that? Ms. Houston. Ms. Kitchen, do you have a substitute motion?

>> Kitchen: Yes, I have a substitute motion which impassing out right now. And I'll just speak to it. The motion continues the cag for another two years and goes ahead and does that. Right now it's really not inconsistent with what the committee is recommending. It just takes it a step further.

[4:52:27 PM]

>> May I second that.

>> Kitchen: It's consistent with what commit brought forward, but it takes it a step further and goes ahead and extends the cag for two years to September of 2017. It reit's rates that the cag should be representative of diversity and viewpoints, including the areas that councilmember Casar mentioned. And then it sets forth the compensation for the group going forward which would consist of -- the one I passed out I'll make a slight change. Please a heads up. It will consist of up to 17 members, which would keep it the same number as we've been talking about now with the additional recommendations from the committee. So to consist of up to 17 members 12 members appointed by the city council, one in each district and two from the mayor and up to five additional members appropriated by the appropriate council committees as designated by the mayor to address representation. In other words, those up fav additional members, the idea behind that is to make sure that we get the diversity of viewpoints that we said we needed. For example, if we found that we didn't have sufficient representation on environment and conservation, the committee that deals with that would come forward and deal with another appointment or if we found there was a concern where we didn't have enough recommendation -- representation from urban listen planning, et cetera, you can see that. That's the purpose behind the -- my substitute motion and I hope that's clear.

[4:54:33 PM]

>> Casar: I would take that as a friendly substitute as long as I could get one or two questions answered briefly. Is your intention that this expanded group this in these rules of councilmembers nominating people beginning September when the existing terms expire?

>> Kitchen: No, no, begin immediately. That would allow --

>> Casar: I express my concern and why I believe this should work in concert with the committee recommendation if it start in September. The issue right now is that a suggestion that there is a representative from district 5, for example. There was someone nominated from place two or from place three on the council so there is not that correlation. So what our committee discussed is in September when those terms expire is the natural time when councilmembers from districts could make new appointments because we would be starting from scratch. The idea being if you brought forth a replacement there would be no mechanism to know who you would replace.

>> Kitchen: I got you. Okay.

>> Casar: What the committee thought through was this recommendation would be an interim step between now and September to expand it by five. And then in September a resolution would make sense where every councilmember would have the opportunity to nominate one person, and then the -- I think that it's one of the ideas discussed in committee for the council committees to then bring forth names to fill in any gaps of perspective or expertise.

>> Kitchen: That's the intent.

>> Casar: If that's the intent I would take it as a friendly amendment to the committees.

>> Mayor Adler: What I understand what's on the floor would be a combination of the two. We would have the committees' amend through the term and then in September at the end of that term this would be prescribing what happens going forward at that point. Do I understand that correctly, Mr. Zimmerman?

[4:56:36 PM]

Your understanding? Ms. Gallo?

>> So if I could make a suggestion because I think the intention was that the two of them work together, that we still use the initial resolution that came from the committee and instead of it being a substitute resolution, it be a further resolved and then say something to the effect of effective on September, whatever the date would be, those four items go into play.

>> Kitchen: That's correct.

>> Mayor Adler: So it is the original resolution as contained in the backup materials. We're now adding a further be it resolved clause. That further be it resolved clause exists of the four be it further resolved clauses in the -- what's labeled as the substitute with the prefatory words, effective at the end of September. Is there a date? September 30th. Is there a date?

>> Kitchen: I don't know.

>> Mayor Adler: The expiration of the existing panel is when?

>> Kitchen: September 30th, I think.

>> Mayor Adler: Effective September 30th. Then we have the four additional clauses.

>> Kitchen: You also need the intro paragraph to the four additional. It's everything that's under the first be it resolved.

>> Mayor Adler: That's what I said, yeah.

>> Pool: Could I make a note, number one on the first amended one has September 1 for the appointments. Does that create any conflict with terms expiring September 30 for the old group or do

you want to have some crossover or what is --
>> Kitchen: The intention for that is actually not

[4:58:38 PM]

very well worded: The intention of that is so the appointments got made. Not that their term begins then. I'm thinking I didn't want any gap so I wanted to make sure that the new appointments were made by September 1st even though they were effective by the expiration of the other term.

>> Mayor Adler: And that requires the other councilmembers to make that appointment that one day so the follow-up appointments are able to fill gaps. And that gives then 30 days for the committee and the mayor's office to fill gaps.

>> Kitchen: Okay. That works.

>> Renteria: So we're basically voting on to extend the cag in September and just leave it the way it is now. What's the --

>> Mayor Adler: What's on the floor is to take the existing cag the way it is today, but to add to that some additional members, districts 2, 3, 4 and 7 would nominate an additional person to immediately start serving on the cag. And the mayor has one. So those would be immediate appointments. By spent 1st everyone is to make their additional appointments and we fill gaps between September 1st as provided.

>> Renteria: Each district that doesn't have a member on the cag -- ditched we'll make it immediate.

>> Mayor Adler: Districts two, three, four seven and the mayor will make an immediate appointment.

>> Kitchen: All the other remaining councilmembers can make theirs in September.

>> Mayor Adler: I would also recognize in making those four appointments I would urge the councilmembers to look at the list of people these nominees should include certain people so you should take a look at that list so that we actually have those offices covered.

[5:00:39 PM]

I think we're clear on what the motion is. It's a combination of the two. It's the interim for the duration until September and then it picks up with what Ms. Kitchen's language was. Would you like to comment on what we're doing here?

>> Thank you, mayor. David sorelo, assistant city attorney with the city of Austin law department. I just wanted to point out to the council that as I understand it one portion of the changes being made today is to actually extend the life, if you would, of the cag. And that falls outside of the posting for this set of agenda items. And really would need to come back under a separate item properly posted that would reflect that the council is extending the life of the cag. The posting as it's worded now really just is worded to reflect that the council is considering expanding just the -- increasing the member of the body itself.

>> Pool: Mayor, that may not present a huge problem. We can come back later with an extension of the date, but the good thing is we've kind of talked about it so we sort of know the direction we're heading in.

>> Kitchen: So we could adopt everything else because what's posted is additional members. We can

talk about everything we've talked about including the appointments made in September and then come back with the extension of it.

>> Hold on one second here. Hang on one second.

[5:02:56 PM]

>> Mayor Adler: All right. So I'm fine with coming back on the amendment for the extension in September. But for the record I would like to say that as chair of this I would be inclined to give a more liberal reading to our posting notices. This was a posting notice that identified that we were going to be dealing with cag as part of -- it also refers to a resolution in the backup. The resolution in the backup speaks specifically to the term of when these people would serve. So I would on a different matter, not this one, urge the council to interpret our public posting so as to allow that. I will also point out that it would be important I think for us as city councilmembers to look at what the posting language is on the calendar, recognizing that this may be germane to you and your work and I would recommend that our posting language be broad enough to include not only what is contained in the resolutions, but that it give fair notice that this council will be dealing with those subject areas and I would ask the staff in making posting notices on the agenda to take into account not only the specific [indiscernible] Of the resolution attached, but to give fair notice that this council on the dais could be making amendments consistent with the subject areas that have been noticed. So I'm okay with us kind of voluntarily moving at this point to separate the two, recognizing that if I was asked to actually make a determination here on what was germane and not germane, I would probably rule this to be germane. But we're not going to have to consider that on this one.

[5:04:59 PM]

Ms. Morgan?

>> I really appreciate you bringing that up because I think one of the things I would love for the council to do when you post these items and when we post the items is to talk about the council is going to consider X and take appropriate action regarding X. We'll be better at doing that and we hope you all will embrace that as well. Thank you so much.

>> Mayor Adler: Thank you.

>> Kitchen: Then I was just going to say that we can address this issue by combining the -- from what I passed out, the be it resolved all the way down to the end of item number three and just leave item number four out because item number four was the one that addressed the extension. But the rest we could keep.

>> That is correct.

>> Mayor Adler: Okay. All right. We're to this motion on the table right now is the original resolution contained in the backup. With the addition of the be it resolved language noting it's -- the be it resolved language noting that the new appointments are effective on September 30th. That's contained in Ms. Kitchen's substitute with the exception of number four in that first be it resolved section. Any further -- with the changes a in in the Numbers you've made into your page, which was 12 members appointed by the council, one from each district and two from the mayor. Any further conversation?

>> Kitchen: I'd be happy -- understanding that -- I apologize to public and I would just like to say that I did post this on the message board. We've made a few changes as we're talking up here.

[5:07:01 PM]

I hope it's clear to people what's in it. So I'm happy to repeat it if it's important.

>> Mayor Adler: We have four people that we would identify and give allowance to speak now. The four people are David king, Mary ingel, Davidian knows and Mary Mckinney.

>> As the speakers come down I want to again sincerely apologize for some of the different languages there. I know we received some emails about whether or not neighborhoods was included or excluded in the categories we're looking at. Of course a lot of the questions brought forward were from neighborhood leaders and we want them to be included in those appointments. I just want to express -- we discussed it in work session that that was an honest mistake and we -- I look forward to moving forward with the committee's recommendation we worked so hard on.

>> Kitchen: The language I'm adding does include neighborhood as part of the representation.

>> Mayor Adler: We'll have the speakers. David king.

>> As you noticed I'm not Mary king, I'm Mary ingel, the president of the Austin neighborhood's council. I'm here to advocate for neighborhood representation on the cag, the citizens advisory group for the land development code process. From my perspective if codenext is to be successful, especially the outreach portion, which is the primary purpose of the cag, ANC neighborhood council needs to be at the table. We are the largest volunteer stakeholder representative group in the city. We represent thousands of people and our record is strong about our commitment to outreach and gathering of information. So I'm hoping that you will add us to the Numbers of people being appointed to the cag.

[5:09:06 PM]

At this moment the membership on the cag is imbalanced. The developer interest is very well represented. Right now there are so many attentions in community with the codenext process. There are those who see neighborhoods as a threat to their pecuniary interests for obtaining their own personal vision for Austin as a Mecca for hi-rises everywhere. The dollar pressures are great and those pressures are driving this rhetoric. Hats that's meetings there have been comments from the real estate community that are disturbing. These comments are about getting rid of all single-family houses in the urban core and with the new code catering to the real estate's community dream of pie in the sky from the imagine Austin comprehensive plan these discussions are unnerving and should have counter arguments. Not everyone is content with turning Austin into Manhattan overnight, nor is that point of view rational or predominantly a community point of view. It would actually kind of impede our goal of making Austin -- preserving Austin's character and keeping its beauty. Thank you very much. For letting me speak.

>> Mayor Adler: And the inclusion of neighborhoods identified as historic neighborhood preservation, that element is now in probably two different places in the resolution at this point, both in the one coming from the committee substitute as well as the one coming from Ms. Kitchen. Daniel Yanez?

>> Thank you, mayor and council. My name is Daniel Yanez, chair of the river bluff neighborhood

association. We are part of the Austin neighborhoods council and I am the sector six representative on the Austin neighborhood council executive committee.

[5:11:12 PM]

We are all having this conversation today because %-@the Austin neighborhood council pushed for this conversation today. I'm very concerned here because we're getting pushed out. As mayor ingel said, the cag right now is top heavy towards development. We brought this to you, to your attention. We're asking you to place Austin neighborhood's council members from the executive committee on this cag. All this is getting lost when you started talking about how there's no -- there's several district -- two, three, four districts don't have representation. That's another issue. That's a separate issue. What the Austin neighborhood's council brought to you is the fact that there is imbalance in the issues. There's no environmental representation on there, no real environmental representation. There's no real neighborhood associations' representation. It will not suffice for a member from a district to appoint somebody just from their district. I'm suggesting to you that those five people are somebody from the Austin neighborhoods council, somebody from the environmental community and from some of these conversations, somebody from the Austin tenants' council. It's not enough just to have a renter or to have just enough to have a neighborhood person from your district. It has to be someone who is up to speed on what's happening. So I'd like to see Mary ingel on there as one of those five. Now, after that in September then you can fulfill the district. I think that it wouldn't hurt to put cag to 22 members just like you did the imagine Austin had 40 or 50 members.

[Buzzer sounds] The lcd -- I'll finish in 10 seconds. The lcd rewrite is one of the most important things that we have in this entire city.

[5:13:15 PM]

It will affect our future for a long time. Let's do it right. We need balanced representation. Renters, Austin neighborhood council and environmental. And then fulfill your districts. Thank you so much.

>> Mayor Adler: Thank you. David king.

>> I live in the zilker neighborhood and I'm part of the Austin neighborhood's council. I do also support the two previous speakers and ask that you appoint Mary ingel as a representative from the Austin neighborhoods council on the cag. Also, I recommend that you appoint Eleanor Mckinney, landscape architect on the cag as well. She's been working on the green infrastructure part of the project and very knowledgeable and has a lot of expertise that will help that group. And we need an expert on the water. Earlier councilmember Gallo talked about our drought and that's a very big issue. I really appreciate you bringing that up. I think in the context of the land development code that is one of the most important issues that needs to be factored in from the ground up in whatever decisions we make about the land development code. So I hope that you will bring that perspective on to the committee as well. Speaking of the number of members on the committee as the previous speaker Daniel just said, this is the most important thank we're working on in this city. And I think that we need to make sure that we have all the basis covered. In Washington, d.c.'s zoning code rewrite taskforce has 100 members. Let's not get hung up on 22 is too big, 30 is too big. Let's have the right amount of Numbers so we get the

representation from the districts, we get the expertise from all these domains [indiscernible]. We can do this.

[5:15:16 PM]

And what is more important than make sure, as Daniel said, that we get this right. This is our opportunity. Thank you very much for listening to my comments.

>> Mayor Adler: Thank you. The last speaker we have is Eleanor Mckinney.

>> Thank you very much, mayor and council. My name is Eleanor Mckinney. I'm the chair of the American society of landscape architects codenext committee. We've been [indiscernible] The codenext committee, the advisory group and the green building advisory group coming out of the watershed department the last year and a half and have been concerned that green infrastructure and sustainable water management are not represented on the advisory group at this time. We do support the cag expansion and just underscoring that these are two of the imagine Austin priority programs. Surely they should be in codenext. We believe that expansion needs to happen as soon as possible to enable the new points of view to be integrated into the preparation for the community wide codenext charrette in the fall and that that preparation is at a critical time this summer. Thank you very much.

>> Mayor Adler: Thank you. We are now back up to the dais. Further conversation on the motion? Further conversation, discussion? Hearing none, all in favor of the motion as amended please raise your hand? Those opposed? It's unanimous on the dais with troxclair and Garza off the dais. My understanding is we'll need that cleanup piece to stand past September 17. Ms. Kitchen, would you get that back on the agenda for us? Thank you.

[5:17:16 PM]

That gets us to the next item that I want to hit is the drainage item, item number 53. I said drainage, but it's -- what's item 53? Sorry. So this is the drainage issue. The one that has the speakers on it is ---- let me check and see because we have to break at 5:30 for music and I don't want to get caught in the middle of this. On this item here we have six speakers, David king who is here, Paul quadero, is he here? Roger wood. Ron Rogerson. Deann disjardin. Mike Rodriguez. My sense is the 12 minutes we have left we're not going to be able to clear this before we have music at 5:30. Rather than stop in the middle of this issue -- what?

>> Kitchen: I was going to suggest something else to take up.

>> Mayor Adler: I was going to take up something other than this because we'll get caught in the middle.

>> Casar: Mr. Mayor, I've heard that we have had some staff that have been waiting on 35 through 38 that have some other work that they would like to getting to do.

>> Mayor Adler: Let's do those then. 35, 36 and 37 and 38. Let's call up 35. Is there a motion to approve item number 35?

>> Houston: So move.

>> Mayor Adler: Ms. Houston. Seconded by Mr. Casar.

>> I'm sorry, I have questions on this.

[5:19:19 PM]

>> Mayor Adler: We just got a motion and a second. Is there any discussion on item 35? Ms. Troxclair?

>> Troxclair: I am so sorry that I did not catch this earlier this week. I would have loved to have this discussion at work session or somewhere else. It looks like 35, 36, 37, 38 are all kind of connected having to do with transportation projects to bridges.

>> Howard Lazarus, public works director. That's correct.

>> Troxclair: So we are approving initial design costs of about \$1.6 million. 1.1 for design and \$500,000 for peer review. So my first question is do we not do -- we have transportation engineers at the city so we don't do review of these plans? Is it possible to do that peer review piece within the city staff?

>> Councilmember, we have brought forward the two contracts for peer review because in this particular case these bridges have very near and dear place in the heart of the community. We want to make sure that there is a third party to look at them in terms of providing quality, cost and value engineering as well as credibility. When we come back to council with preliminary engineering we want to make sure we have another set of eyes look at them so the community feels strongly that we've addressed all of their concerns.

>> Troxclair: Okay. So the total budget -- again, I think this is just approving the initial design phase but the total is estimated at over 25 million you, but it's pretty clear that we don't really have any idea at this point how it's all going to cost until we get through the design phase.

[5:21:25 PM]

Using those Numbers, this is -- these projects are being paid for through transportation bond funds authorized in 2012, but it's -- this is a quarter -- this is 25% of our available funds.

>> There were on the order of \$25 million set aside in the 2012 bond for bridge projects. These contracts, professional services, not to exceed amounts. Our intent is not to use the entire authorization before we come back to council. We probably on the two design projects will spend about \$300,000 each and then we'll come back with a preliminary engineering report, which is about a 30% design, and we will show in one case for the Barton springs bridge five options that we'll consider on the red bud trail, also known as the Emmitt Shelton bridge we'll have three options and then go through a rather vigorous and complete vetting of those options with the public so when we come back to council with the preliminary engineering report it will be something that you can have comfort with.

>> Troxclair: You've said -- in the 2012 bond there was \$5.5 million for bridge repairs.

>> There was money set aside for design of the Emmitt Shelton bridge or red bud trail bridge, for the Barton springs road bridge and money set aside for miscellaneous bridge repairs. It was about three million dollars for the two large bridges and 1.7 million for miscellaneous small bridges. That was also included in that part of the bond program.

>> So was there additional money in that bond. Maybe you just said that and I missed it. Was there additional money above the \$5 million for design that was identified and set aside for the actual completion?

>> Not for these bridges. The idea -- the concept -- these bridges will take a very long time to get through the design process because there are historic aspect to them.

[5:23:25 PM]

There are environmental aspects to them as well. So its intent is to get started on the design, to address all the community concerns and bring back to council the Septembers so we can get a better cost estimate so that later on we can bond the full amount for construction of the replacement and rehabilitation.

>> Troxclair: So of the --

>> Mayor Adler: Did you have a point of information?

>> Kitchen: It might be helpful to the council and also to councilmember troxclair, I should have said this at the beginning. I'm sorry I didn't. These items all went through mobility committee so we had expensive discussion at mobility committee and I just -- I apologize that I didn't say that when we were laying that out. I just wanted to let people know that. That might be helpful.

>> Mayor Adler: Did you want to finish?

>> Troxclair: I did know these went through mobility, but it seemed like I still had questions that weren't answered through the committee process or that I didn't see asked during the committee process. So thank you. But thank you for bringing that up. So the 36 million, how much have we spent so far of the 2012 transportation bond funding?

>> We haven't -- there's been a small amount of money spent for staff time, but we really haven't committed or obligated any of the other funds because we are bringing these to council now for your authorization.

>> Troxclair: Okay. I guess I'm trying to understand. It looks like through the estimated costs, total estimated costs of the project that it will eat up about a quarter of our available funding, but you're saying that that money is going to come -- the money for the actual construction is going to come from somewhere else somewhere down the road.

>> These projects are not funded for construction right now, that's correct. So by going through this process and getting us to a point we have a good solid -- a solid cost estimate, it will allow better programming of funds on future bond programs and potentially allow us to pursue other sources of funds to include state or federal grants, but we have to get a concept done, get that approved and get a good solid cost estimate before we can go forward.

[5:25:43 PM]

>> Troxclair: Are we receiving any kind of grant or funding from Westlake? Or the this is red bud trail so this is right at the city limits.

>> These bridges are both within the city limits.

>> Troxclair: Within the city limits, but right at the edge of the city limits.

>> There is no funding from the village of Westlake hills if that's the question.

>> Troxclair: Okay. And are either of these projects included in our capital improvements program five-year plan?

>> They are identified in the needs assessment, but not currently identified for construction so they are not in the five-year cip plan that was presented as part of the financial forecast. I guess they're not

funded for construction right now.

>> Troxclair: Okay. The design contracts were part of the amount you saw because that money is available, but not the construction.

>> Troxclair: Okay. And the design contracts, were those -- did we get competitive bids for those?

>> Professional services are competed through a qualifications based selection process so to the extent that the firms that were reviewed submitted qualifications and the best qualified firm was selected for professional engineering services by state statute are not competed on a cost basis.

>> Mayor Adler: Okay? Thank you. Further conversations on items 35 through 38? Mr. Zimmerman, then Ms. Tovo? >>

>> Zimmerman: Thank you, Mr. Lazarus for am coulding coming in. Not all the council got the advantage of the mobility committee. I wanted to point out for everybody on the second page here, one of the reasons for the engineering studies on this, we're looking at potentially a 100 year design life bridge, which is really impressive.

[5:27:43 PM]

It's really difficult to design a bridge that lasts 100 years. So that's part of the expense as well. And I just want to say in advance that I will be supporting the 100 year design because of the tremendous expense of these projects. But there is another option you have in here for 40 years rehabilitating the older bridge. And I can already tell you based on a lot of engineering work I've done, lots of times the rehabilitations, they won't live up to the 40-year life, but if you design the thing from scratch and do it right you might get 100 years out of it. But it's very, very expensive to design these bridges.

>> Mayor Adler: Okay. Ms. Tovo?

>> Tovo: Mr. Lazarus with regard to 37, the red bud bridge, I wanted to ask you whether rehabilitation is an option for that bridge. I'm not sure which councilmember Zimmerman was referring to, that rehabilitation will be a design option that's explored.

>> We've included rehabilitation options for the Barton springs bridge, the red bud trail bridge is well passed its design explosive it's our belief that rehabilitation is not a feasible option. So the design contract calls for three replacement options that -- but none of them are strictly rehabilitation in that the bridge was rehabilitated several years ago with the intent of making it last long enough to where the city could aggressively pursue a replacement of the bridge. The bridge is a steel member bridge and, unfortunately, sometimes steel failure can be sudden and catastrophic, so in due consideration of all the community concerns, it's still our professional belief that replacement of those bridges is the -- are the only real feasible option.

>> Tovo: The concerns I've heard and I know you've heard them as well, stem from the rim rock along that area and the way in which the bridge will interface with it.

[5:29:51 PM]

So I think what I would like to hear from you today is assurance that there will be some opportunity for meaningful public engagement with the individuals who have been following this and have in some cases in the case of Mary Arnold, spent years studying and being stewards of that area.

>> Scope of work of both agreements states that the engineer will participate with the city in conducting numerous community outreach sessions, and in fact welcome back to council at the preliminary engineering stage before we go forward. So there are numerous safeguards built into these contracts to ensure that there is public participation and council approval, and in fact the reason we have brought forward peer review is sort of a belt and suspenders approach to make sure there is credibility in the process.

>> Tovo: Thank you. I know there's a slightly different process for the Barton creek bridge because it is a natural historic district so I want to be sure we will have that public engagement for the red bud bridge.

>> Absolutely.

>> Tovo: Thank you.

>> Mayor Adler: Anything else on these items? Is there a motion to approve items 35, 36, 37, 38? Ms. Kitchen, motion, Mr. Zimmerman seconds. Any further debate? If not all in favor please raise your hand. Those opposed. Unanimous on the dais with Ms. Houston off and Ms. Garza off. Last item before we --

>> Thank you.

>> Mayor Adler: Thank you, Mr. Lazarus. Last item before we go into break. Item 28 has staff here. It's just setting a public hearing. We've had two members of the community sign up. I don't think they're here now James gains and Gus Pena. This is item 38 5 28. Any discussion? Someone move setting the public hearing? Mr. Renteria, second by Mr. Casar. Any discussion? Those in favor please raise your hand.

[5:31:52 PM]

Those opposed. It's unanimous on the dais with two members off. Kitchen and Garza. That gets us to music and proclamations. So we'll be in recess until they're concluded.

[5:33:58 PM]

[Recess]

[5:43:19 PM]

>> Mayor Adler: Hello? We set? Good evening. Good evening, everybody. You know, this is, you know, perhaps my -- it is my favorite part of any council marketing. This is Austin, Texas, the live music capital of the world, you know, so this is important. As I go around and talk to mayors in other cities, I have that opportunity now, I'm learning that there are some mayors outside of our city that know of this custom in Austin, Texas. And it's one I'm very proud of. This evening, I have the pleasure and the honor and opportunity to introduce Jackie Venson, who has been compared to the likes of Josh Stone and Amy Winehouse and Austin native Gary Clark Jewish. Originally a classic pianist, she picked up the guitar and made the leap from classical to raw, gritty blues. Multiinstrumentalist, a singer-songwriter with an out of this world voice. Though she doesn't like to brag, she spent her college years at Berkeley College of Music, where she received her Bachelor of Arts in Composition and Studio Production. Her live performances revisit what makes music so powerful, emotion and passion. She thrives without the flash

instead of favoring a clean sound, genuine soul and meaningful connection with her audience. Music is not only what she does, but it also defines who she is.

[5:45:22 PM]

And it reminds her where she wants to be. And that's performing. So please help me welcome Jackie Venson.

[Applause]

[🎵 Music 🎵]

[Music]

[5:50:03 PM]

[Applause]

>> Thank you.

[Applause]

>> Mayor Adler: So in case people here, people watching on the TV, that was great, by the way.

[Laughter]

[Applause]

>> Mayor Adler: That was great.

[Applause]

>> Mayor Adler: Wow.

>> City hall, you know.

>> Mayor Adler: Really. You need to come back and play again.

>> I will.

>> Mayor Adler: In case people want to find you, what's your website?

>> My website is -- I know it's not there anymore, my name dot com, Webb.

>> Mayor Adler: If they want to pick up your music, where can they buy it?

>> Amazon, band camp, spotify, everything, just Google me and --

>> Mayor Adler: Cool.

>> You'll find me. Try not to find me. That's the challenging.

>> Mayor Adler: If people want to see you, where's your next gig.

>> Having a huge party tomorrow at one to one bar, ride down the street, Swedish meet balls, buffet.

Most of all my band will be there. So rad. Don't miss that. Tomorrow, 5 7:30 at one to one bar.

>> Mayor Adler: Great. I have a proclamation, be it known that whereas, the city of Austin, Texas is blessed with my creative musicians whose talents extend to virtually every musical genre and whereas our music scene thrives because Austin audiences support good music produced by legends and our local favorites and newcomers alike, and whereas we are pleased to showcase and support our local artists, now, therefore, I, Steve Adler, mayor of the live music capital, do hereby proclaim may 21, of the year 2015, as Jackie Venson day.

[5:52:24 PM]

Congratulations.

[Applause]

>> Mayor Adler: Thank you.

[Applause]

>> Houston: Good evening. Let's try it again. Good evening.

>> Good evening.

>> Houston: My name is ora Houston, and I'm proud to represent the 77,000 people who call district 1 home. And I'm also proud to be here to honor one of our own, don Haines, and I'm proud because I was a member of the old Anderson high school yellow jacket band and we got first place in marching and convert at the old prayer view interscholastic league before we could be a part of the university scholastic lead. Let me read this distinguished service award. For his love of music, his dead conversation to excellence and his commitment to creating a band family, for 39 years at the Lyndon Johnson high school, don Haines is deserving of public acclamation and recognition. During Mr. Haines' tenure the bands have performed around the globe as goodwill ambassadors to beijing, London, Paris, and Rome.

[5:54:29 PM]

They have also one first place honors in statewide and nationwide music festivals and consistent withly won sweep stake honors at the university in the scholastic lead marching and concert performances. His colleagues have selected him as teacher of the year four times, and he was award the prestigious Texas university interscholastic leak deanis award in recognition of his teaching excellence. In addition, the theater on the Lyndon Johnson campus was named in his honor. His greatest contribution, however, has been his impact on the lives of his students whom he has taught, nurtured, men mentorred, encouraged, chauffeured and fed for almost four decades. This certificate is presented in recognition of his stellar career this 21st day of may in the year 2015, signed by mayor Steve Adler and the members of the Austin city council. Congratulations.

[Applause]

>> Thank you so much.

[Applause]

>> Thank you so much, ladies and gentlemen. Councilmember Houston, I really appreciate this honor. I'll just say a couple of words. There is a very, very proud organization that I can share with you for 39 years I called home, and we called it the lbj band, lbj band family. We have some band parents here, and we have them literally across the globe. Some are doing fabulous things. Some are being great moms and dads.

[5:56:29 PM]

And we all called lbj home and it's because Austin is a great place for music and music does many wonderful things for people. So I thank councilmember Houston for acknowledging my time at lbj and especially want to say thank you not only to all of you but those that support the arts because we have a

great place in the society and we love being a part of the conversation. So to my wife, who is very active in the community, to many of you who help Austin be a very special place in the United States, it's been great, and I'm going to continue to be out there and about, as I move on, I just want to say thank you for all that you've done. To those of you here representing Anderson that will was my first place to teach in 1973.

[Applause]

>> So thank you, everyone. Appreciate this.

[Applause]

>> Good evening, I'm mayor pro tem Kathy Tovo representing district 9 it's my pleasure to present this next award to Betty Baker. I know many of you are here to honor her and I thank you for being here. When I took office in 2011 it was my honor of reappointing Betty Baker as the place three representative on the zoning and planning committee so it's really my honor tonight to present this award to the person that the Austin Chronicle called the hardest working woman in voluntary development review, zoning and planning commissioner for life, Betty Baker.

[5:58:46 PM]

I'm going to read the distinguished service award and invite a couple people who have gathered here tonight to say a few words on her behalf. For her dedicated service as a long time board commission member and leader, Betty Baker is deserving of public acclaim and recognition. She's served on the planning commission since 1997 and headed up the zoning and planning commission since its creation in 2000. Betty has been loved, feared, respected in her voluntary role to which she brought 20 years of planning experience as a city employee and a lifetime of love for her home town of Austin. Considered the land use convenor, she comes by the moniker legitimate since -- flavor and uniqueness. Planning department's historic preservation plan, among her other experiences as a senior -- and her service on both the planning commission and SAP, her passion for Austin's history, flavor, uniqueness was paramount in her decision making. This is presented in appreciation of her commitment to our city this 21st day of May, 2015, city council of Austin, recognizes Betty Baker with a distinguished service award. Thank you so very much, Betty.

[Applause]

>> Tovo: Thank you so very much, Betty. We appreciate all of your service look forward to your continued contributions. I'd like to welcome Jerry Rusthoven.

[Applause]

>> Thank you, mayor pro tem. Betty, on behalf of planning department employees and all of its incarnations both past and current, I would like to thank you for all you've done for us.

[6:00:55 PM]

You have been a mentor for many of us. Teaching us an awful lot about historic preservation, you are the god mother of the historic preservation office. You have taught us all about plantation especially those things that our planning professors could not teach us because they did not know, things such as who is who, how things really get done. Most importantly you have taught us how to be public servants,

earn the public's trust, how to be professional and respectful in even the most trying circumstances, as chair of both the planning commission and the zoning and planning commission, we have appreciated you keeping the train running as close to on time as possible. We would like to thank you for giving careful consideration do each and every case, even when we're in disagreement. Our workplace and city are all indebted to you for your many years of service. Just as we said in your previous retirements, I think this is the fourth time, I think I've been doing this.

[Laughter]

>> -- We know you're a phone call squaw that you're always willing to put it mildly to offer us your advice.

[Laughter]

>> Thank you, Betty, on behalf of everyone.

[Applause] Would I now like to bring up Richard Suttle and Sarah Crocker who would like to say a few words.

[Laughter]

>> Ladies first.

>> Thanks a lot. You always do that to me. Betty, since I met you in 1989, the first time I met Betty was right after I had come in and bought a historic building for a man I was working for on Sixth Street, we were in the bar business. I came over to the city, figured I'd drop in, we can get a few permits, move along our way. The first words out of everybody's mouth were "Have you talked to Betty Baker yet?"

[6:02:59 PM]

"And I kept hearing this. Over and over and over again. It was always said with this sort of, well, we can't help you until you talk to Betty Baker. You're going to have to go to the commission and you better talk to Betty Baker. You better, don't make her mad.

[Laughter]

>> So by the time I finally got an appointment with the infamous Betty Baker, I was expecting a Brook Hilda type of creator to come walk being out. In my mind she was at least 6-foot tall, probably pretty broad shouldered, you know, orthopedic old lady shoes on. I really expected this really formidable presence. And I was taken to the third floor of the old annex and sort of really snake my shoes. I had big hair, probably a black leather mini skirt or something. I felt a tap on my shoulder, turned around and there was this little bitty woman standing there. She said can I help you? I said, yes, I'm waiting for Betty Baker. She said I'm Betty Baker. Well, you know, I learned something very quickly. They may say that good things come in small packages. Powerful things come in small packages too. And from that day forward began my relationship and my friendship with a remarkable woman who has left her fingerprints all over the culture and very fabric of what we have here in Austin today. There's not a street that you can go. There's not a building you can look at she hasn't messed.

[Laughter]

>> I promise you. People don't feel -- neutrality is not a word associated with this woman. Nobody is neutral about Betty Baker. You either love her or you don't.

[Laughter]

>> One way or the other. But even those -- no matter how you feel about her, she was infinitely fair,

always courteous. There's nothing worse than her being courteous to you from the dais as she was getting trod slice your case apart but she was always very, very courteous about it and treated everyone the same.

[6:05:06 PM]

You are the queen. You always will be the queen. We owe so much to you, everybody does, everything that we've become here in Austin over the years of your service has been influenced by you. You have had a great deal to do with where we are today. I can't thank you enough. Thank you.

[Applause]

>> I met Betty in the '80s as well, waltzed into the planning department, arrogant, young, now I'm, arrogant, and old.

[Laughter]

>> Everybody said you're going to visit with Ms. Baker and she pretty well told me how things were going to be and all and with that being said, something said earlier that we love, respect and fear Betty baker. I still fear Betty baker.

[Laughter]

>> I'm not going to wax on and talk a lot of things but I can tell you if you've been in the city of Austin, if you've been involved in anything in the city of Austin, whether it's planning or events or history months or whatever, you would have run across Betty baker. If you've been doing this 30 years or three years, we all, oh Ms. Baker a world of gratitude for her fingerprint and her imprint on our city. And I have no idea -- no doubt that we will continue to see her imprint even though we're saying she's trigger tonight but there will be something else from Ms. Baker we will owe her for and, Ms. Baker, we thank you.

[Applause]

>> One thing I forgot to mention, I don't know what Betty has against pawn shops but if you're zoning a Wal-Mart or single family residence there's going to be a restriction in the ordinance that said the mic will click on, would you mind prohibiting pawn shops.

[6:07:13 PM]

[Laughter]

>> That being said, there's going to be a reception upstairs on the third floor. There's food. There's lemonade and water, and I would -- I hope everybody will come up there, sign the book, and say hi to Ms. Barrack. Therebaker. Please come up and have some food. Thanks.

>> I'd like a word.

>> Don't forget.

>> I was going to say I didn't expect these people to do this. But I'm sure glad they did.

[Laughter]

>> Of all the things that I love about Austin and appreciate and have worked with and for and against, it's the moonlight towers. And the staff was not really aggressive, and I certainly was sort of a step child for a long time and probably still am in some people's eyes, but the moonlight towers was nominated by the city of Lubbock as an engineering accomplishment, not by the city of Austin. But we were able to

zone them all historic, those remaining. But I want you to remember one thing of all the things I've done. We're the only city in the world with moonlight towers. There used to be --

[applause]

>> There used to be others, Paris, I think was the last to remove them because of them being hazardous, but other item about the moonlight towers, they're 165 feet tall. That is the same height of the highway department lights on the freeways and expressways because the society can go without losing the disbursement of the lighting.

[6:09:16 PM]

So over 100 years ago, we knew what we were doing.

[Laughter]

>> We don't now.

[Laughter]

>> There are a lot of you hear that I recognize, some I don't, some I appreciate, some I don't.

[Laughter]

>> But after you get to be 80, you can say anything and get by with it.

[Laughter]

[Applause]

>> This is my first opportunity to beat the mayor and I don't want him to tell me to shut up. I've said what I have to say. I appreciate you being here, those of you who want to can come upstairs to the party. I'm not sure what they're serving, but it should be good.

[Laughter]

>> Thanks, thanks all of you so very much. It's been a long ride. Appreciate it. Appreciate you.

[Applause]

[6:13:12 PM]

>> Mayor Adler: We have a proclamation. If we could hold down the conversation just a little bit so we can go to the next proclamation we'll proceed. Be it known that, whereas emergency define emergency service provided by the ems teams trod give hive-saving care to those in need 24 hours a day, seven days a week. And whereas access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury and whereas the ems system consists of emergency physicians and nurses and medical technicians, paramedics, firefighters, first responders, educators, administrators, and others, and whereas we are pleased to recognize the member of emergency medical services teams, whether career or volunteer, for their specialized training and for the valuable services they provide our citizens during this special week with the theme ems strong. Now, therefore, I, Steve Adler, mayor of the city of Austin, Texas, do hereby proclaim may 17-23 of the year 2015 as emergency medical services week. Congratulations.

[Applause]

>> Mayor Adler: The chief of staff, James shamard.

>> Mr. Mayor, thank you for this ems proclamation and for recognizing the incredible men and women

of ems in this and all communities.

[6:15:13 PM]

First I'd like to invite the citizens in our community to stop by one of their neighborhood ems stations, meet the crew in a situation where it's not an emergency, maybe have them take your blood pressure, and have them show you around their office because in the back of that ambulance is just like a room in the emergency room and some of the things they can do in this is just incredible. The second thing I'd like to share and talk about is this ems week is the -- a little bit about the dedication and talent of the incredible men and women of ems. But thanks to local film maker Chris Kim right here with us today, I'd like to play his movie trailer for the documentary that he's working on about the medics of austin/travis county ems. It does a much better job telling the story than I ever could. If we can play the video, please.

[Video playing]

>> This is Jason.

>> For 90% of the patients that we see, the day that they meet uses that the worst day of their life.

>> This is amber.

>> This job, pretty much takes up your whole life. It's like a sponge. Just expands beyond the hours that you put in.

>> And on June 15, 2012, they saved my girlfriend's life.

>> Everybody's eyes were tearing up and they were all just stroking her, like pour baby, hang in there, you know, and it was just a -- it was different. Normally somebody with that severe of an injury is not awake.

>> Walking in the back, to see the look on the nurse's faces, that was rough. That was will you. I think on everybody.

>> It was also the day I met them for the first time.

>> Then going back and just stopping to talk with the traffic cops and low and behold you pull up.

[6:17:16 PM]

>> There you were, and you were -- I know you don't remember me seeing you, but just watching you, you know, I was like, man, I don't think he should drive to go to the hospital. Did you drive? I don't kw how you managed because you were having an out of body experience at the time. And I remember that they had mentioned that they thought that she didn't make it. I was like, no, no, no. She's still fighting.

[♪ Music ♪]

>> These are the medics of austin/travis county ems. After Alex's accidents I had to know, who are these people? What is this job?

>> You know, how many times have I carried people out of their house for the last time? You know, how many times have I been the last person that someone spoke to?

>> I had to ride to the hospital with dad, who just -- watching him process that his wife was dead, whole way to the hospital nap was really hard.

>> There are people walking around today walking around because I was there.

>> Sometimes I wonder, you know, how we do it. I'm like I don't even know.

>> If you don't like it, you can always get a different job. Not really. This is what we're made to do.

[Sirens]

[Applause]

[6:20:04 PM]

>> Mayor Adler: We have a proclamation. It be known that whereas public works services provided in our community are an integral part of our citizens' everyday lives and whereas the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs, such as water and sewers and streets and highways and public buildings, and whereas the quality and effectiveness of these facilities, as well as their planning, their design, the construction, our vitally dependent upon the efforts and skill of public works officials, and whereas the efficiency of the equality qualified and dedicated personnel who staff public works department contribute to our quality of life through their positive attitudes and understanding of the work that they perform and whereas we are pleased to recognize the contributions which publicly works personnel make every day to our health and safety and comfort and quality of life, now, therefore, I, Steve Adler, mayor of the city of Austin, Texas, do hereby proclaim may 17-23 of the year 2015 as national public works week. Congratulations.

[Applause]

>> Mr. Lazarus, Howard Lazarus.

[Applause]

>> I will let you know that the comments here are not long, they're just in big font because we all get to that stage. I also invite to you look out to your left and you can see one of our vehicles parked out there, along with one of our training simulators. So we'll be here until about 7:00 for those that want to try their hand at operating a backhoe without reeking damage and destruction on the universe.

[6:22:12 PM]

Also, you'll notice whenever there's a big Orange truck in your neighborhood, great and wondrous things are about to occur.

[Laughter]

>> I want to thank mayor Adler and everyone else here for the recognize on behalf of the entire public works family, not just the public works department, but our brethren andsters in the Austin transportation, parks and recreation, watershed protection, the water utility, Austin energy, building severances, fleet services and all the other entities that support us and help us build Austin's tomorrow today. As the mayor said, this is national public works week, which is a celebration of tens of thousands of women and men in North America who provide and maintain the infrastructure and services collectively known as public works. Instituted by the American public works association in 1960, this week calls attention to the importance of public works and community life. There would be no community without the quality of the public works features that we provide. There would be no community to police, non-to protect, no public to lead or represent. Public works allows the world as we know it to be. The theme for this year's public works week, community begins here, speaks to the

essential nature what have we do in everyday life. Next month, Austin will be hosting for the first time the annual conference of the Texas public works association. During the period June 24-26. This is an excellent opportunity for all to learn from our peers around the state and attend a day at the conference without having to really travel very far from home. You can register online and we welcome anyone who is interested. I want to thank again all of you for your support, for your courage, and your integrity in serving our community and for those public works members who mentor our youth and introduce them to the opportunities in the public works area. And continuing the tradition of excellence that characterizes the entire public works family.

[6:24:18 PM]

We couldn't do it without everyone's support and we are proud to serve the citizens of Austin each and every day.

[Applause]

>> Mayor Adler: I have the opportunity to present a city of Austin distinguished service award as founder of the Austin regional clinic, which is celebrating its 35th anniversary, Dr. Norman Chenven is deserving of public acclaim and recognition. Arc began with just three physicians in 1980 and has grown to 330 physicians. In primary and specialty care and more than 1700 employees. Beginning with one clinic, arc has grown to 21 clinics in seven cities in central Texas area.

[6:26:23 PM]

They provide care to more than 380,000 central Texans. About 20% of the population, making it one of the largest healthcare providers in the region. Dr. Chenven is a member of numerous national professional organizations but also has contributed his expertise to the board of Austin Chamber, chairing the education and workforce development council and giving presentations on healthcare to groups like Leadership Austin and state and national organizations. This certificate issued in recognition of his many contributions to the health of our citizens and with best wishes for his continued success in serving our community this 21st day of May in the year 2015, signed by the city council of Austin, Texas, Mayor Steve Adler. Congratulations, sir.

[Applause]

>> Thank you, Mayor. This is a surprise to me. My staff does these things to me occasionally.

[Laughter]

>> One thing you left out is I'm going to take responsibility for us being -- this being Jackie Venson Day since I recruited her mother as Austin Regional's obgyn in 1982. The other thing I want to point out is I've outlasted David Letterman. He only made it 33 years and I'm still going.

[Laughter]

>> It's been a real honor and privilege to be here in Austin, to grow with this community. This is the most wonderful place my wife and I could have landed. It's been absolutely delightful. You have a really wonderful medical community and two terrific hospital systems that support it, and I think everybody in this community needs to appreciate that.

[6:28:28 PM]

And I want to thank my staff and my colleagues for making it possible. It's been a real trip, and I hope to keep going. And really show up David Letterman.

[Applause]

>> Mayor Adler: We have a proclamation. Be it known that whereas motorcyclists are relatively unprotected and, therefore, more prone to injury or death in a crash than other vehicle drivers, and whereas all those who put themselves behind the wheel are responsible for being aware of motorcyclists, regarding them with the same respect as any other vehicle traveling on our highways, and whereas it is the responsibility of riders and motorists alike to obey all traffic laws and safety rules, and whereas we encourage all Austinites to do their part to increase safety and awareness in our community and for motorcycle riders and motorists to give each other the mutual respect they deserve.

[6:30:45 PM]

Now, therefore, I Steve Adler, mayor of the city of Austin, Texas, do hereby proclaim May of the year 2015 as motorcycle safety awareness month. Congratulations.

[Applause]

>> Mayor Adler: I want to present Jason Hill and Ty Yokum and John Johnston. Do one of you want to say a couple words.

>> Thank you. Hello, Austin. Thank you for being here. We're very excited to get to share this day and month with every one of you. On behalf of cycle styles and their group, thank you very much for bringing this together and making this happen. Mayor Adler, thank you very much. In light of some of the things that have gone on recently, thank you for allowing us to come in and be a part of today. Austin, there's a lot of us out here that share and enjoy the road on two wheels. Most of you what you today are those of us with motorcycle vests on but we're a small sample of what is around us in Austin. In Texas, there's almost 450,000 registered motorcyclists and in 2014, we had an increase of 35,000 riders registered motorcycle riders. That's a lot of people coming in, right? Lot of new riders. Because of motorcycle and awareness safety campaigns and activity like the mayor is leading for us today, although we've increased by 35,000 people in the year of 2014 compared to 2013, the fatalities dropped about 6%. That's pretty cool. And it's because of more awareness and more safety. So we're very grateful for that. Thank you very much for showing up today and listening. Thank you very much, mayor. We're very grateful, and y'all please stay safe.

[6:32:50 PM]

[Applause]

[6:35:05 PM]

>> Mayor Adler: We have a city of Austin distinguished service award. For her untiring service and commitment to our citizens during her 20-year tenure as a dedicated employee of the city of Austin,

ateja duke is deserving of public claim and recognize. She began her career in January of 1995, working for mayor Bruce Todd and immediately began providing outstanding public service to austinites. She then joined the neighborhood housing and community development department and hcd in 1997. At nhcd, she helped hundreds of residents through the department's community benefit, grant program, coordinating and facilitating many community events, including the annual raise the roof event. She served as the chair for the city's weed and seed program, bringing a much needed bridge between law enforcement and area communities. Her warm and empathetic nature allowed her to consistently go beyond the call of duty. Ateja's relentless dedication and happy heart were greatly appreciated by her coworkers and citizens she assisted. This certificate is presented in acknowledgment and appreciation of her service this 21st day of may in the year of 2015. The city council of Austin, Texas, signed by mayor Steve Adler. Congratulations, ateja.

[Applause]

>> Do >> Mayor Adler: Do you want to say some words.

>> Yes, that's kind of dangerous on your part.

[6:37:07 PM]

[Laughter]

>> Good evening, everyone. I just want to say thank you to all. Thank you, mayor Adler, thank you city council members, and most of all thank you to my nhcd family. I have thoroughly enjoyed the years that -- of service to the citizens of Austin and I want everyone to know that neighborhood housing does an outstanding job. We're all very professional and very warm. And so if you ever need a home repair, be sure to call neighborhood housing with the city of Austin. I also would like to recognize at this time my family. They've been my backbone. They've allowed me to be here and do the job that I've done. My wonderful parents are here, Warren and ray Nicholas.

[Applause]

>> That's my dad, my mom. Thank you so much. My husband, my wonderful husband, Ben, holding our grandson.

[Applause]

>> My sister and her son Angelo.

[Applause]

>> And my wonderful sister-in-laws terry dukes, who is the photographer, Stacy and Mike rone in the back and nephew Andre.

[Applause]

>> You have a son, Joseph, but he had to work late so I don't believe he's going to make it. Without their help, I wouldn't have been able to be the type of employee that the city of Austin needed. So I want to thank you all very much and I'm going to -- off now to enjoy my retirement.

[Applause]

>> Mayor Adler: Did you want to say a couple word, Ms. Disagree so I have only had the pleasure of working with her for a little less than a yeah, but I have learned in that time just what an amazing asset she was for both the city and neighborhood housing.

[6:39:25 PM]

And we have -- we have lost from neighborhood housing an amazing person who was able to greet people warmly and knew an incredible history about both the city and the department. So she's only been gone for a couple of months, and we miss her already. Thank you, ateja.

[Applause]

>> Troxclair: Hello. I'm Ellen troxclair, councilmember from district 8. I'm honored today to be presenting a proclamation for national safe boat week to the United States coast guard auxiliary. I want to say how proud I am to present this and how proud I am that I share a common resource as the coast guard as the unit command ser also on my staff, as my constituent services and communications director, Jacob Thayer. We are also fortunate tot to have Jake nobody both our organizations.

[6:41:30 PM]

He's been a great champion for the coast guard family and their mission. There are 55 members in his unit patrolling eight Lakes in our area, Walter E long lake, lady bird lake, these volunteers work in several capacities but are always trying to keep everyone safe on the water. That's a lot of work. So thank you and I will now present the proclamation for national safe boating week. Whereas Austin is blessed with an abundance of beautiful waterways from lady bird lake to lake Austin do Walter E. Long our Lakes provide an opportunity to enjoy boating and other water sports and whereas fun can turn to tragedy when boating accidents occur, most are caused by human error and can be avoided by following a few basic safety tips, obtaining the proper licenses, avoiding reckless behavior and wearing life jackets and whereas each may, the United States coast guard auxiliary and other organizations throughout the region join together to increase boating safety awareness and whereas we encourage all austinites to have fun on the water this summer and make great memories but to always keep safety front and center in their boating plans. Now therefore mayor Adler and the city council do hereby proclaim may 16 through may 22, 2015, as safe boating week.

[Applause]

>> One of the comments we always get whenever we talk about the coast guard being here is, wow, what are you doing here? There's not really much coast line here. But as the councilmember said, and we do thank her and mayor Adler for allowing us to be here, there are 11 Lakes that we hope to make boaters as safe on as possible, and we do vessel safety checks. That's one of our primary missions throughout the area so if you've got a boat we'd like to make sure you have everything you need on it.

[6:43:32 PM]

We'll give you a sticker and you usually get a break on your insurance as well so it's helpful for you. And weaver actually going to be at several different Lakes throughout the summer, but you can also go online to cgaux.org/vsc as in vessel safety check and set up an appointment and we'll come to you to make sure your boat is safe. Please wear your life jack experts please boat responsibilitybly. Thanks so much again for having us here.

[Applause]

>> Gallo: It is my absolute as they're coming up and what a handsome group of men and women, future voters in Austin, Texas, and every one under the age of 18 that comes to the city council chambers I make them promise that the day they turn 18 they will go register to vote. And we can check and see if you've actually voted or not so.

[Laughter]

>> Gallo: It is my pleasure to welcome the Anderson high school boys and girls water polo teams to the council chambers this evening and to city hall. We are honoring them because this year only their second year of existence they won regionals and qualified to play in the state tournament.

[6:45:43 PM]

In addition, we also had some of them voted to the all state team. Michelle Thomison. Allstate second team, ray Anthony, Valerie vines and my niece, lane Perry.

[Applause]

>> Gallo: Allstate honorable mention. You all have been absolutely wonderful. As I said this is only the second year this team -- these two teams have been in existence, and they have done so well, predominantly because they're wonderful athletes and great people and also because of their coach Sarah Condon, where is she, looking just like the rest of the kids, I might say, has been here for two years coaching coaching this team and taking it from a brand-new team to a state qualifying team. Congratulations.

[Applause]

>> Gallo: It is also the first time in Anderson's history that both a men and women's sport has won the respective regional tournaments in the same year in the same sport. So congratulations.

[Applause]

>> Gallo: So it is my honor to read the proclamation for you for having won their 2015 regional tournament championship both the Anderson high school girls and boys water polo teams are deserving of public acclaim and recognition. It is only their second season, the team under Sarah Condon won the regional and stated in the state tournament. While it is new to the Texas contrary, it's fast paced, fun to watch, growing in popularity. The athletes as you can see are extremely fit, tough, athletic, fast, well conditioned and cool heads -- is that right?

[6:47:44 PM]

[Laughter]

>> Gallo: The sport combines the skills of skimming, passing, catching, shooting with teamwork and strategy most similar to

[indiscernible] And basketball. These young people have brought credit to our city with their accomplishments in only two carriers' time. We are pleased to congratulate them with a certificate presented on the 21st day of may in the year 2015, the city council of Austin and mayor Steve Adler.

[Applause]

>> Gallo: So now we're going to pose for pictures, if you would like to direct this large group.

[6:52:51 PM]

[Recess]

[7:04:34 PM]

>> Mayor Adler: We have a quorum on the dais. We're going to go ahead and reconvene. I'm going to call the items that had citizens waiting to speak. First item we'll call up is the Austin energy item, number on electric rates.

>> Casar: Mr. Mayor, before we take the speakers I would like to be recognized with a motion to divide the ordinance that's before us and take it into parts. First on parts 1, 7, 8 and 99 on the ordinance on all three readings. They pertain to all the customers, including the transmission tariff and also about the tariff remaining closed to new customers and service reverting to contract rights at the expiration of those contracts. And second to vote on remaining parts three, four, five as a separate ordinance. I'm distributing on yellow paper the two separate ordinances that reflect that motion. And the -- I think that the reason for making it division -- I would probably need a second before I explain the division.

>> I'll second.

>> Mayor Adler: Mr. Casar makes the motion, seconded by Ms. Pool. Why don't you hand out the first one of those? This is the resolution concerning the three largest users. Is that correct?

>> Yeah. So a concerned treat largest users. B are the remaining users. I think there was certainly some conversation during first reading on the difference between the two.

[7:06:36 PM]

And I thought that it would be appropriate for us to vote on them separately.

>> Mayor Adler: That's fine. Let's focus on the first one. The first one we'll focus on and call up and put on the floor is the proposed ordinance that relates to the large three users. It extends this to two and creates a new class as to the third, is that correct?

>> Kitchen: Mr. Mayor, when we get to it I have an amendment to the second, the B, not the a. Not what we're dealing with now, but the second.

>> Mayor Adler: There's been moved and seconded. Is there any discussion as to the first ordinance? That relates to ordinance a.

>> Casar: Mr. Mayor, were we going to take up speakers? I'm happy to share my thoughts and for us to take votes, but just a point of inquiry.

>> Mayor Adler: Let's go ahead and do that. I think that that would be a smart thing to do. When we come back we're going to break it into two and then --

>> Casar: I would like assurances that we're breaking it into two now or taking it to vote.

>> Mayor Adler: We have broken it into two. The first one on the floor is just a that speaks to the two, but we'll go ahead and invite the speakers to speak. The first speaker we have is listed here is Stephanie McDonald.

>> Thank you, mayor and council. Today I'm here representing the over three thousand businesses that are the Austin chamber. The Austin chamber supports a municipality owned utility. It is an asset to our

community.

[7:08:37 PM]

The chamber is focused on maintaining talent. People rely on jobs, companies to hire them. Without companies that pay billions in direct wages or company could not support as many small businesses. Freescale with jobs in both districts 1 and 8 also provides a job to the delivery person, provides parts, adopted the attorney who provides council, adopted the server who brings lunch. This impact is exponential. Freescale directly employees 5,000 people in Austin. It has an additional 11,000 who support the work at freescale and on top of that support 8,000 jobs to Texas of the day care, to the clerk at the supermarket and the musician. Freescale alone counts as one billion dollars in paychecks to people of our state. IBM in district 7 whose history is back in Austin to the selectric typewriter in the 19 60's currently employs 6,000 people here. Austin energy's largest customers include hospitals, customer support centers and tech manufacturing sites that employ many austinites in jobs that have a future here in Austin without these jobs and taxes that these businesses and their employees pay your work on the budget is that much harder. In order for these companies to be competitive and increasingly global market, we need to provide them with affordable electricity. These customers cannot turn off the jobs at the hospital or turn off the semiconductor to save money. These companies would like to continue to invest here in Austin and help us create economic prosperity for all. Many of them are interconnected. Without Samsung we would not have applied materials. Without apple, the workers at [indiscernible] Would go hungry. We must allow them to be competitive in a global market so our families can earn an honest paycheck.

[7:10:42 PM]

A deregulated utility market in Austin would create a huge general fund budget it deficit and eliminate programs that provide low income payment assistance, low income weatherization and the solar and renewable energy focus that ensures that Austin energy helps the culture and needs of our community. We owe future to our utility. Please ensure we have this legacy for our future. We support the ordinance as written. Thank you.

>> Mayor Adler: Next speaker is David king.

>> Thank you, mayor, mayor pro tem and councilmembers. My name is David king. I live in the zilker neighborhood. I just ask as you consider this resolution that you consider that if you're going to give these companies these special rates, what impact is it having on those other customers that don't get special rates? What is that impact? Is the impact that the users of smaller volumes of electricity actually pay a little bit more to offset the lower rates that these large -- these consumers of large amounts get? And yes, they employ lots of people, but those same people that they employ who pay their electric bills, they pay a little bit somewhere to give that company a reduction. And in some of these companies that we're going to give these special rates to already get special a deals. As we already know, thank you for bringing up these commercial appraisal protests forward because these same companies are also taking advantage of that part of our system where they get to reduce the value of the -- appraised value of their commercial properties and put money back into their pockets and put the burden on to

residential owners. Then some of these companies have received millions of dollars of incentives, not from this council sitting in front of us today, but from previous councils.

[7:12:51 PM]

How much more special things are we going to do for these companies and what impact is it having on the rest of our low and moderate income families? Equity should be a part of your decision here. Equity for all of the ratepayers. And yes, it's good that we are able to get the excess revenues plowed back into our community. That's important. But we need to consider equity going forward. There's sort of a veiled threat here. If you don't give us the rate we'll go to the state legislature and they'll get on your case. If you don't give us these special rates we're going to move somewhere else. How many times do we hear that threat to encourage you to give them special deals? So I ask that you really consider equity, equity in every decision you make because this community is not about just those big corporations, it's about all the citizens who live here. Thank you.

>> Mayor Adler: Thank you. Next speaker is Roger Wood. Is Morgan Kelly here? Is Trey Asideanas here?

>> I'm Roger Wood, representing Secret here. I have a presentation I'd like to step through. So Ccare represents small commercial and additional businesses as well as non-profits, school districts that employ more than 50,000 people in central Texas. Collectively our members purchase more than 21 million-kilowatt hours of green choice annually and our board of directors include many of Austin's largest employers.

[7:15:01 PM]

The first thing I'd like to talk to is the affordability goal that was passed by council in February of 2011 as the component of the generation plan. The affordability goal was intended to make the resource plan as predictable as possible and calls for too many things. One is to control the all-in rate increases to residential, commercial and industrial customers to less than two percent a year. This is all in. It's fuel, base, riders, whatever is in the bill, the total bill. The second part was to make sure these rates remain in the lower 50% of rates in Texas overall, the lower 50 percent for residential, the lower 50 percent for commercial, the lower 50 percent for industrial. So today as we sit here Austin rates have already broken both parts of these -- of this goal for industrial customers. We had a five percent rate increase starting in 2015 and then as we've done some benchmarking we understand now that we're well above the 50 percentile of Texas benchmark cities. When contracts expire for the large customers, these rates will increase by more than 35 percent higher than the average benchmark cities. And not just particular areas in the state, but the north zone, the Houston zone, the south zone of ERCOT. It's like a major area for a lot of customers. When I say 30 percent or higher for many of us the rates are as much as 50 percent higher. Here's a chart just to demonstrate --

>> Zimmerman: Sorry to slow you down here. Could we make sure we distinguish between rates and bills? Because some of the confusion we have here is that we're talking about the charge per kilowatt hour versus the overall bill that includes things like community benefit charges that have nothing to do with delivering electrical power, per se.

[7:17:12 PM]

So when you say rates are you talking about the overrule bills or are you just talking about the electrical consumption?

>> I'm talking about the overall bill. If you take the overall cost of the bill and take the consumption that's associated with the bill, so it's the overall cost divided by the overall consumption. So that's what we call the rate. >>

>> Zimmerman: Okay. So it's really the bill amortized over the electrical usage.

>> Everything in the bill is included in that cost.

>> Zimmerman: Thank you.

>> So if rate -- looking at this slide here if you look on the left you can see that under other Texas cities, that's benchmarking that we've done and we see the rates for largest industrial customers in the 40 to 50-dollar per megawatt hour range. In 2014 for industrial customers in Austin we were at the 60 to 65-dollar range. In January that went up about five percent to get us to 65 to 69. And finally in June we roll off the contract we're up to 79 to 89 percent. So a substantial increase in rates. Another chart to demonstrate some benchmarking we've done is kind of complex, but if you look at the bottom there's a customer one, two, three, four. And then on this chart if you look at the zero percent line that represents kind of the rate, the base rate for each of these customers for annual for 2014. So if you look at the first customer at zero we hit a five percent increase. You can see it took us up to five percent and then when they roll off the contracts they're going up to about 25 percent. The second customer pretty much the same profile. The third customer they're a transmission service customer. If they get rates a little lower because they own their substation so that's why you see that kind of dip. Basically you still see an increase from the five percent and up.

[7:19:16 PM]

Finally the last customer, number four we've added and I'll talk about that later for this presentation. But also the same picture. Down below you see the blue lines and that's where we benchmark externally to see what rates for these size customers, we took their load, took it to these Zones north, south, Houston and got equivalent rates for all-in rates. This is what we found. You can see there's a very large gap between what we pay here in Austin and what we see people with similar loads paying in these other areas. So let me back up. Finally this category number four is we got asked last time we were here can you show us a bill? You have consultants to go look at this, but how do we know it's correct? We have a bill and we'll show you that in a couple of slides for that customer. The contract extension for the state of Texas, those were recommended or actually approved by council in 2014 December, and that was a unanimous vote by council to extend their contracts, which is the same contract customers were talking about here tonight have. And those were extended for two years from may of this year until may of 2017 and they include demand accounts that are 500 kw and larger. The same contract that all these customers have is what the state has. So if Luke at what's happening, the state versus customers here, on the left chart the proposal moving forward is only the Austin industrial customers that are 300 kw. Whereas in the previous county it was 500 and above for accounts that had contract.

[7:21:19 PM]

You can see there's a substantial difference about what's been offered to the state and what's been offered to industrial customers. On the right the other big difference is the state got a two-year extension and we're proposing a six-month extension here. Finally just community benefits. I hear things about we just want to have cheaper rates at the experience of everybody else and we're not asking for that. We're just asking for rates that we understand they may be 10 to 20 percent more because we live in Austin, but not like 50 percent more. We plow back a lot of what we do in into the community. We generate more than \$10 million that goes to the general fund transfer if you look at all the usage for these customers. We employ more than 50,000 people in Austin and we contribute a million dollars annually to the -- back to the community in terms of dollars, services employee time in community programs and non-profits to the community. It's not just utility rates. We're trying to do our part to be a valuable part of the community as well. Finally here's the market bill that we got asked last time to provide information. I know it's hard to read. We can provide you a good printout of the bill, but to show you there is a bill here. In this particular bill we didn't have to go look far to get it. We just asked one of our ccare members who has operations outside of Austin can you give us one of their bills? And that's what they did. This is a bill for February. It's a primary service with dual feeds similar to a lot of the customers we're talking about here. The demand for them is about 12 megawatts. So the monthly bill is about \$400,000. That includes everything you're talking about because they have similar type of things and in the competitive market as we have here.

[7:23:26 PM]

The consumption was 7.9 million kilowatt hours. If you take that total bill that includes everything and divide it by the consumption, which is 7.9 million-kilowatt hours, the rate comes out to be about 50 -- a little over \$50 per kilowatt hour. Per megawatt hour, I'm sorry. It just customers what we've seen how there in the market. This is an account that's not nearly as big as the three largest accounts. They're smaller in size comparable to a lot of the other accounts you see here of people being discussed now I guess in the part two ever this resolution. So finally just to wrap up, I think a lot of us wouldn't be here tonight if we could just comply with the affordability goal. That goal is very important to us in the community. And we ask that you take that seriously. And also the way you've treated the state is really the same. That's really all I've got.

>> Zimmerman: So you have an example here of Dallas. I believe Houston has a competitive market as well, but San Antonio has a municipal electric utility, right?

>> Right.

>> Zimmerman: So Austin looks more like the San Antonio model. Have you taken a comparable bill from San Antonio and compared San Antonio to Austin? Because both are municipally owned utilities, right?

>> I don't have -- if you go to the P.U.C. They don't publish their rates for large industrial customers. If you notice it's all blank. We don't have a good way to look at that without taking a bill to them and getting them to run a calculator on it. I guess I'll just point out that the competitive market is 80% of the state, the competitive market.

[7:25:28 PM]

So we think if you're going to look at most of the people, then that's where you need to be looking at. But we certainly can go benchmark with San Antonio, bosh affordability goal says benchmark with major metropolitan areas and Dallas, Houston, corpus Christi, San Antonio could be included.

>> Zimmerman: The reason I but up the point is there's a larger issue I brought up in my campaign in the fall is should we stay with the municipally owned utility. An energy monopoly like they have in pedernales electric co-op. I'm in the pec and it's one provider. Thewier don't have any choice of providers in pec, same as Austin. I know that question is out there but I wanted to bring that up. If you want to compare you probably should have compared with San Antonio instead of comparing with Dallas. Because that's municipally owned utilities.

>> Our affordability goal doesn't say that. It says compare with -- like we compete in the mom like we don't just -- competitive market. We have customers that come and go just like in the competitive market. So that's the world we live in everyday that we face. So if we have to raise our rates, our customers go somewhere else. The competitive market is the world we live in constantly.

>> Mayor Adler: Thank you. Any further questions? Thank you, sir.

>> Thank you.

>> Mayor Adler: Next person is John Howard. Is Vicky lane here? Mr. Howard, you have six minutes.

>> Good evening. My name is John Howard. Dell is proud to call the Austin area home and we have been for 31 years now. Of our 100,000 global employees, more than 10 percent call Austin home. Dell, as you know, is very active philanthropically in Austin both with Michael and Susan Dell and their leading contributions and at the corporate level we contribute more than two million dollars a year into the Austin area to non-profits.

[7:27:43 PM]

In addition we have more than tens of thousands of voluntary hours by our employees. Tell is one of Austin energy's largest customers and we have long paid the premium to be part of the green choice program. In addition we are a platinum member of Austin's leader program. We ask that you extend us and other large Austin businesses power contracts. This would give you, Austin energy and the other stakeholders the time needed to work together to determine the actual cost of service and then to develop an appropriate rate? Consistent with the council's affordability goal of keeping those rates competitive and to not increase rates more than two percent each year. If you allow Dell's contract to expire on may 31, our rate would increase 17 percent overnight. That substantial increase would make our rate 33% higher than the Texas benchmark and more than double what we pay for our sister campus in Plano. Such an increase would put Austin at a distinct competitive disadvantage with other communities in Texas and across the country. Making it harder. Thank you. We continue to work with you to make Austin vibrant and affordable.

>> Mayor Adler: Next speaker is

[indiscernible].

>> Mr. Mayor, mayor pro tem, councilmembers, I'm David Hughley, general counsel from national

instruments. I'm here today to illustrate our commitment to stint and our hopes of reaching agreement that's conducive to prosperity for all involved.

[7:29:49 PM]

Ni provides powerful, flexibility technology, provides rapid innovation from daily tasks to grand challenges. Ni helps engineers and scientists overcome complexity to exceed each their own expectations. Ask you were in nearly every industry from healthcare and automotive and particle physics use Ni's integrated hardware and software program to improve our world. Ni was established in Austin in 1976 and now employees more than 2500 employees locally. Probablily we employ approximately 7,100 people and have a customer base that includes nearly 35,000 companies. Ni donates at least one percent of our revenue annually to non-profit organizations with a focus on science, technology, engineering and math and college level engineering education. Nearly 80 percent of our contributions go to education organizations and institutions. In 2014 our corporate donations equal more than \$1.8 billion globally, of which nearly \$400,000 supported Austin based non-profits and the university of Texas with similar contributions made in years past. Through science, technology and engineering and math initiatives, Ni supports more than a dozen local and statewide education based organizations through in kind donations, time and technology and financial support including girl start, the boys around girls club, the thinker and first in Texas among others. Through Ni's employee giving program employees can double the impact of their donations by requesting matching funds from Ni up to a thousand dollars per employee. In 2014 Ni and its employees donated over \$1.2 million through this program.

[7:31:57 PM]

We're also proud to say our employees logged over 10,000 hours in 2014. Ni is a committed partner to the city of Austin, including its students, the workforce and the environment. My colleague Mike walker will talk more about why we hope that the city of Austin will consider extending our contract for a minimum of six months.

>> Mayor Adler: Thank you. Mike walker. Don bonner is on deck.

>> Mayor and council, I'm Mike walker, director of worldwide facilities for national instruments. We're one of the largest employers located not only in the city of Austin, but in the Austin energy service territory. This is a very complex issue and we're here to ask for an extension as we work diligently with the city to find a solution for these dramatic rate increases. We're willing to pay a premium for doing business in the city of Austin. We're a homegrown company. We were founded here in our founders's garage in the mid 70's. But we're asking that the premium that we pay be reasonable and fair. As you're aware the council passed the affordability goal in 2011 and it was always intended to be the back stop for customer bills, all customers, from becoming too high regardless of contracts. Bodies components of this goal have been broken and as has been pointed out our rates went up in January and we're facing another very drastic rate increase. Very, very soon. You're the new leadership for the city of Austin and we need your assistance because we can't continue to overlook and ignore these goals and we can't support the affordability goal for only one customer class while ignoring it for the other two.

[7:33:58 PM]

How can Austin energy justify treating contract customers different from the state? And finally, if Austin energy [indiscernible] The affordability goal we wouldn't be here and these contracts wouldn't be an issue. Thank you for your time.

>> Mayor Adler: Thank you, Mr. Zimmerman?

>> Zimmerman: As you know, most of us here are brand new. Only been here a few months. There was a rate case back in 2012 and a lot of the conversation I've heard is centered around that everyone knew back in 2012, right, that there was a large rate increase coming in 2015. Or is that not the case?

>> I can't speak to that. Maybe another member could. Maybe Roger could speak to that.

>> Zimmerman: I would like to hear somebody speak to that because I hear what you're saying and I think there's plenty of evidence that the goals were violated to be in the lower percent and not going up two percent per year, but it seems like that was violated back in 2012 and that we've had several years - the clock has been ticking on when these massive increases were going to go into effect. So that's part of what -- I think what the struggle is is we're trying to figure out -- I guess it makes sense is once the deadline hits the reality hits home and here come these higher rates, but the question is can someone talk to how this seems to have been in the works for about three years. Based on the 2012 rate case.

>> Can I get another member to come am and answer your question?

>> I understand your question. It's a good question. Back when we did the rate case in 2011 we think the competitive rates were relatively competitive then, but it's been over the last four, five years that there's been a very big gap develop, at least on the industrial and commercial side.

[7:36:15 PM]

So the situation now as the contracts are ending from a affordability standpoint is totally different than it was when we did the rate case. And that's what concerns us is that part of it we seem to have ignored.

>> Zimmerman: To it sounds like what you're telling me is you didn't see these large increases or they weren't predictable in 2011 or 2012?

>> You mean the increases in Austin?

>> Here in the market here in Austin.

>> We saw the increases, but the competitive market is different. It's totally different than it was back then. So the affordability goal was -- that was put in place about that same time and it was a back stop to make sure that the rate increases it's in Austin stayed competitive with the rest of Austin areas. Back then we were looking at bit putting the new rates into effect. The rates were pretty competitive, but now they are.

>> Zimmerman: So you're saying that energy was a bit above the market in general. Has the market dropped a bit in Texas while we've had predictable increases in Austin energy, but the rest of the state has dropped rates?

>> I think the rates have dropped in the rest of the state, but they haven't in Austin.

>> Zimmerman: I see what you're saying. Okay. Thank you. I think I understand this now.

>> Mayor Adler: Sir, a follow-up question on so that. I think Ms. Tovo has a question as well. So Austin

does -- has a rate case and there's a cost of service study that's done. At that point in time two years ago perhaps based on data available at that time would have been three years ago. There's a cost of service or a rate that's established.

[7:38:15 PM]

That rate stays in effect until the next time there's a cost of service study. I think is that generally how it works?

>> That's what we sold the plan is. That was the first rate case we had had in -- since 97 or so, I guess.

>> Mayor Adler: So there's another anticipated service study that is a year away or I think it's supposed to be 2016.

>> That's what I understand from Austin energy. 2016, 17, somewhere in a that ballpark.

>> Mayor Adler: What I'm trying to figure out is at the last time that there was a true-up to the market there were rates that were set. We've heard there was an anticipation among the customers that when their contracts expired they would then fall and be within that rate structure for that period of time until there was the next true-up. And it sounds like we're in the last year of the rates that were set. Is it reasonable that you and peer companies would as a contract falls off be part of that rate structure that was set up until this next cost of service study that's a year away and then there's a reevaluation of the cost of service?

>> We think that the city already extended the state so I don't know if that's the case why wouldn't you do that for them?

>> And I think that's a good argument. Putting that aside for a second, if we hadn't cut that deal with the state, would it be reasonable now that the customers whose contracts expired during the course of this period of time between two cost of service studies that they would fall off -- roll off the contracts, be subject to that rate until the next cost of service? Or is it that would be reasonable save and except for the fact that there was obviously a different deal given to the state.

[7:40:18 PM]

>> I'm not quite sure I'm following your question.

>> But for the contract with the state would it be reasonable at this point, as you and peer companies roll off your contracts that you would be subject to the rate that was set two years ago?

>> Well, I think that probably would be reasonable except we had an affordability goal that was put in place in 2011. From arrestant pound that goal is just as important as anything else. It was passed unanimously by city council at that time and the whole point in it was to make sure rates stayed competitive with the rest of the market and we didn't see extreme increases.

>> Zimmerman: Mayor pro tem, what I put on the board was what I was trying to conceptualize if you could inform me of conceptually that's what happened. We were on track and over the last several years the Texas competitive market that you talk about has actually dropped whereas we've had maybe a slight increase and now there's this big delta that you're complaining about.

>> I think so. The whole point in the affordability goal was so that we would track with the rest of the state. I mean, that's the whole point. I mean, because we're -- as customers we're all operating

continuously in a competitive market. When we're competing with people in Dallas, Houston, whatever, when the rates go down there we're at a disadvantage there.

>> Zimmerman: That's right. That's the lower line you're talking about there. But it was reasonable for Austin energy to be looking ahead and saying we think -- here's what we think it's going to look at in 2015 and then the market kind of fell out from underneath them. So how could --

[7:42:18 PM]

>> The market has been -- that gap has been there for a long time now. It's like probably about five years. It kept getting bigger, big, bigger.

>> Mayor Adler: Let's go to Ms. Tovo.

>> Tovo: Thanks. I have a question actually for our staff unless anybody else has a question for Mr. Wood. Mr. Weis can you talk about the timing of the affordability goal? It was my understanding that when the council adopted it, which was before my time it was with the understanding that the affordability goal took hold once the rate case was concluded.

>> That's correct.

>> Tovo: That the increases that customers experienced in the rate case was not to be matched up against the affordability goal because it had been so many years since the last rate case.

>> Yes, Larry Weis. The generation plan that was approved in 2010, in the fall of 2010, with that approval of the generation plan the council approved also affordability goals and of which we're talking about. Whether we put the new rates into effect you're correct that really set the clock for that time forward. To that sketch up there that's exactly happened. The municipal utility model is a long-term, steady hare and tortoise kind of comparison in terms of the markets, whereas the deregulated markets go up and down as fast as you high imagine like the markets go up and down. It's very active to compare and this is a consider disadvantage just time for comparing rates between municipal utility models or public utility models and those in the deregulated market. That's been pointed out and I wanted to confirm that is the case.

>> Tovo: Thank you. In terms of the percent increase in customer rates, part of the reason that I understand it why the council had the discussion that the affordability goals would begin is because everybody -- you had already begun the work on rate case so there was an expectation that everyone [indiscernible]

[7:44:38 PM]

Probably at a percentage higher than the responsibility goal had set. And that indeed was the case for all of our customers except for those who were on long-term contracts. Because they did not -- we did not have the ability to raise their rates at the same time.

>> That's correct.

>> Tovo: Thanks for confirming that timing.

>> Casar: Mr. Mayor, one brief question do Mr. Weis. We've heard some testimony today and at the last hearing about wanting to work with Austin energy to find what the correct cost of service is. Is that what we do when lookingty cost of service study? Is that what working with customers means?

>> Correct. Under our thought at Austin energy is that we have to begin as council directed us when we did approve the last rate case that we would come back within five years and do a new cost of service study. That's predicted to begin in 2016.

>> So that working with companies means doing a cost of service study and we have already scheduled for 2016.

>> That's correct.

>> Casar: Thank you.

>> Mayor Adler: Thank you. Thank you, Mr. Weis. We're back to the folks here. The the next speaker is Dan bonner. And Greg heartman is on deck.

>> Good evening, mayor --

>> Mayor Adler: Can you point the microphone closer to you?

>> Good evening, mayor, councilmembers, my name is Dan bonner. I'm a global real estate data center manager for the two data centers here in Austin, Texas. One of them is in district 1 and one of them is in district 7 along with an office building.

[7:46:38 PM]

We are a large commercial customer of Austin energy. We've enjoyed an excellent working relationship with Austin energy. Austin energy has a lot of good attributes for a utility power, power availability, reliability, conservation programs, and begin we've enjoyed that working relationship. Being a data center we call on them to do switching operations with us to do our maintenance and they're great to work with in that regard. So we've been a happy secure of theirs. Customer of theirs. We're also a green choice customer of Austin energy. We've enjoyed that. We pay a premium like other long-term contract service customers have. Ours as well as other long-term contracts are set to expire in may. In June estimates provided by Austin energy says our electric rates were going to go up substantially. And with recent -- as you can imagine being a data center our electric utility rate is the largest line item on my budget. It's very significant in terms of the cost of the data center. It sets where we'll put our I.T. Assets at. We have data centers obviously around the country. The Austin data centers have been growing steadily since their construction in 2006. Austin has been very favorable in the analysis except in terms of the proposed electric rate and it's putting us at a disadvantage.

[7:48:38 PM]

To explain to explain to our management. We have two data centers in Houston and Plano which have put recent contract in place in which their new electric rate is below what we're currently paying now, which ours is set to increase. So we continue to make substantial investments in our sites, in our personal property and in the community. We ask that you extend our contracts out for six months so we can have further discussion on the rate and have better input from the citizens of Austin. Thank you.

>> Mayor Adler: Thank you. Greg Hartman. Michael waylan is on deck.

>> With your permission, we have a joint presentation with St. David's and Seton together.

>> I believe peter Riek signed up and is willing to contribute his time if we need it.

>> Mayor Adler: The two of you have nine minutes.

>> Members of the council, thank you for the opportunity to present. I'll Greg heartman with the Seton health care family and Michael and I wanted to present to you tonight to talk about a request we're making from the two major hospital systems here in Travis county. This extension of long-term contracts of the primary and secondary accounts for the hospital system that provide for each one that provides over 10 million a year of uncompensated care. That's how we define it to to make sure it's very focused on the two hospital systems. We recognize as two major employers here in Travis county and stint that rates are going to be rising.

[7:50:43 PM]

We're willing to work with Austin energy, big supporter of energy and have been for a long time. We would just like to ask for a gradual rate increase as we work with Austin energy for a six-month delay and to work on a gradual increase particularly at a time when the -- the two hospital systems represented before you provide 80% of the all the unfunded hospital care in Travis county. At a time when funding for healthcare, uncompensated care continues to be an issue, our funding structure is up in the air. It's a very difficult time to have this kind of increase come and hit while the population continues to grow, those folks who are poor and vulnerable and need healthcare. Hospitals are very unique customers for utility. We're 24 hours a day, seven days a week, 365 days a year. We have an ability to shift load and that causes some cost exposure. In addition to that we are base load customers because for example at Seton the Dell children's medical center is the first platinum leads hospital in the world -- Leeds hospital in the world and we're promising to do the new teaching hospital as a gold Leed hospital. So very committed to many of the same goals and aspirations that Austin energy has. In Austin alone, the two hospital systems here before you have contributed more than 100 million peer year in uncompensated care. I know Seton alone does about 340 million and St. David's does a large amount as well. We are two large economic engines and employees in the community. St. David's foundation of course which also words with the St. David's hospital system contributed more than 136 million in the past three years withnary non-profits to fulfill unmet healthcare needs in addition to the care for the poor and vulnerable. The second bullet is important. Seton healthcare family is with the development of the medical school.

[7:52:44 PM]

Seton healthcare family signed a multidecade agreement with central health to create the community healthcare collaborative which is a separate entity that we jointly own and operate committed to fund the M.A.P. Program, number of area community clinics as well as fqhc's such as people clinic and community care and other charity care systems. I think the two hospital systems have proven their commitment to meet the needs of this unique public private venture we have here in central Texas to provide care for the poor and vulnerable.

>> Michael Wayland on behalf of St. David's's healthcare. The two hospital systems both have contracts. You can see we have primary accounts at Seton medical center and St. David's's north Austin medical center is our primary accounts and we have hospitals or medical office buildings that fall in those accounts for each of us, three for Seton and six for St. David's. So that's what we're talking about in

terms of the entities that have contracts. It's not hundreds and hundreds of retail stores, it's very specific to the hospitals and the office buildings where procedures are occurring. I think it's important to know and you will hear this over and over again. This is a municipally owned utility. They are allowed to exercise extraordinary discretion and establishing rates under public utility regulatory act. Extending long-term contracts to hospital systems that provide uncompensated care doesn't run afoul of any rules in Pura or in the state states. We know that because Austin energy already does this. It does it for the state, it does it for U.T., it does it for community based groups such as places of worship and aid. The hospital systems fall within this category. We are here, we're not moving anywhere. We contribute to the community. We're a civic and community minded O, our two organizations.

[7:54:49 PM]

We know also from the city of Austin's own testimony during the rate case that this level of discretion is afforded municipally owned utilities and that Austin energy utilizes this type of discretion in developing its rate base. The testimony in rebuttal back in I guess it was 2013, quote, clearly the legislature recognized and embodied in Pura that the governing bodies of municipal utilities are according a certain level of discretion and I am fallen heros sizing the point -- and emphasizing the point that it accurately reflects the community priorities suitable to a municipal entity. So what we've handed out is a proposed amendment to what's before you that would allow the contracts for any hospital system that currently has a contract and also provides more than \$10 million of uncompensated care annually as reported to the state of Texas. I know for St. David's in Travis county that's figure is over \$80 million. So we are doing our part in this community and we would ask that there be some mercy given to us extending the contracts for six months and allowing for a more gradual rate increase to occur. We've both acknowledged and I'm acknowledging as well on behalf of St. David's we know there will be a rate increase. We would like this time to work that out on a more gradual basis. So that's where we are. We're happy to answer any questions about the hundreds of millions of dollars we contribute back to the community. Thank y'all.

>> Mayor Adler: Thank you. Any further questions? Gentlemen, thank you. Those are all the speakers that we have --

>> Kitchen: Mr. Mayor, I have a question for Austin energy.

>> Mayor Adler: Would staff please come up, Mr. Weis? Ms. Kitchen?

[7:56:50 PM]

>> Kitchen: I just wanted to follow up on an item that -- on one of the things that the previous folks testified about. And that was that rate discounts that we provide for other community groups is not the right word, but I think aid was mentioned and perhaps others. Can you tell us about that?

>> Sure. We have a discount put in place by council for houses of worship and also school districts.

>> Kitchen: Thank you.

>> Mayor Adler: Further discussion on the dais.

>> Casar: Mr. Mayor, I move that we approve on all three readings ordinance a as I handed out and then we later discuss ordinance B.

>> Mayor Adler: A speaks to the three largest users, extends the contract for two and puts on a different new tariff for the third. Any further discussion?

>> Zimmerman: Let me find that again. It would have helped -- councilmember Casar, I appreciate the thing here, but I was looking at the original that was posted in our backup materials and I think the differences that these are not underlined or --

>> These are identical. Legal developed these to just separate parts one, two, seven, eight and nine in A and parts three, four, five identically in B there by separating the three big users from the other users.

>> Zimmerman: If you could follow with me

>> Zimmerman: If you can follow me me on 53 in the book. I'll let you get to that. I show on part three, there's a significance difference here it it looks to me --

>> Casar: If we could have legal because they split it in two for me.

>> Zimmerman: Could we? Right here it shows on the amended ordinance a, rider two remains closed to new customers.

[7:58:56 PM]

And that's different wording than part three in my backup materials.

>> In the original ordinance, that language, I believe, was part seven in the backup ordinance, and so, you know, the parts are obviously renumbered, but each of the paragraphs is literally verbatim. We simply pulled out individual paragraphs stuck in the new ordinances and there are no wording changes other than renumbering the paragraphs. We had to eliminate one cross-reference because there's two paragraphs no longer in the same experience we had to tweak the title because ordinance B no longer includes the transmission tariff. Otherwise it's absolutely identical, the perhaps have just been pulled apart and put on separate pages.

>> Zimmerman: Thank you for that clarification. Give me a few more seconds do clave. Thank you for that.

>> Mayor Adler: So I understand, we passed an ordinance on first reading that extended the contracts to the large three users. And then to a additional class. Additional group of users. Is that correct?

>> Correct.

>> Mayor Adler: And we did that as concerns primary locations?

>> Correct.

>> Mayor Adler: What you've done here in A and B is to separate into two parts what we did on first reading.

>> That's right. Yes.

>> Mayor Adler: So if we were to pass A and then we were to pass B, we would be passing, again, what -- exactly what we had passed on first reading?

>> You would be -- yes. In two separate votes.

>> Mayor Adler: Yeah, two separate votes, I understand.

>> Is there further discussion on approving on second and third readings A, which speaks to the -- is there a second to Mr. Casar's motion? Mr. Zimmerman seconds. Any further discussion? All in favor, please, raise your hand. Those opposed. It's unanimous on the dais with pool and Garza absent.

[8:01:00 PM]

We now get to part B. So part B would be to approve the second half what have we we -- of what we approved last time on first reading. Is there a motion to approve that on part B? I'll make that motion.
>> I'll second.

>> Mayor Adler: What? Ms. Gallo seconds that motion. Is there further discussion? Mr. Casar.

>> Casar: Mr. Mayor, I've thought about this one for quite sometime and, you know, we all want lower electric rates, and I think it's very important for Austin energy to achieve the affordability goals while meeting our collective goals. There's no question about that, we want to be in the bottom 50% of electric rates, but the decision today to me is very clearly not about that. It's not about -- a vote about our cost of service model or a vote on Austin energy's expenditures. The question before us is whether or not we should extend these millions in utility breaks to bill commercial customers who were told during the last rate case years ago that they would not be getting an extension on these breaks. So the question before us today is at heart about whether or not we're going to stick to the plan worked on so diligently by previous councils and by so many customers, residential, commercial and industrial. And so based on the model that was passed in that rate case, it's my understanding that large customers would not be subsidized by everyday residential customers and that's the model that's been built out so I urge that we stick with that plan. Since the rate case in fact information that we've received shows that every single one -- or virtually every single one of these customers in this -- that we'd be voting on right now has seen at least a million in savings and some several millions in savings just since we passed the rate case, while everybody else's rates have gone up, a million in savings for many of these folks, and while everybody else has borne that burden, that's just a very difficult thing for know swallow for to us extend these even further.

[8:03:23 PM]

I do agree that the electric bills are too high, but they're especially too high for the many folks that call my office, and I know call many of your offices that are getting their lights turned out. So I don't think the question is if the bills are too high and I'm committed to working over the next similar months and next year when we have another cost of service decide find out if we need to rethink those models. Perhaps we do need to think about how we purchase power so that we remain competitive and control costs for everyone, but not just for a select group of folks that happen to have contracts that we said we're going to -- were going to expire. In the case of the hospitals, I'm, you know, very appreciative of the service that you provide to our community. You provide more than healthcare. You provide jobs and so much more, and I want to thank you for the compensated care you provide that's critical for our community, and I believe it's critical that we support our hospitals, but in as transparent of a fashion as possible, and this to me does not seem like a transparent way to fund hospital operations, to pass this extension. If the hospitals are struggling to make things work and make ends meet knowing the cuts happening all over the country in healthcare, then let us know is and I am open to talking about that, figuring that out, and figuring out we can support our hospitals in the most transparent way as possible. I want to participate in that discussion. There are many in my district that use the hospital system, whether they pay or are users of the emergency room as their only source of healthcare. I also know in

the case some of technology companies the electric bill is one of the biggest line item on your budget and that affects how competitive you are in the market. I also understand that some companies, because of the place we are right now with electric rates, as councilmember Zimmerman described, that you're in a tough spot and if we want to make that decision based on like an economic development deal, we should scrutinize each deal individually just the way we do all of our economic deals.

[8:05:30 PM]

As a matter of fact in this year's budget we budgeted \$2.2 million for rebates in economic incentives. You guys have seen this in our budget work sessions. By any calculations, making extensions to these 15 additional users would be three times as much subsidy. And not with nearly the kind of transparency and individual scrutiny that our chapter 380 deals receive. With that, I urge my colleagues to not vote in favor of ordinance B and I think that we have a long way to go with Austin energy. I'm committed to working on these rates. It's very important to me. But we should work on it based on the plan that we had set out.

>> Kitchen: Mr. Mayor.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I'm going to offer an amendment, if B fails, and that's because I do think it is appropriate to extend the contract -- extend for six months for the hospitals. And I think that's appropriate in light of the -- I don't even call it a community service. It's way beyond community service. I've worked very closely with the hospitals for many years, and what they do for us in terms of providing care for people that don't have -- that don't have insurance is huge. And I think in light of the fact that we have done extensions for the three largest and we've also done discounts for UT, I don't think it's too much to ask to extend for six months while we work with them to consider a more gradual increase. As they testified, they do expect there to be an increase, and I think it's appropriate in light of the other actions that we're tabbing with regard to the other extensions that we extend to them.

>> Mayor Adler: I'm going to vote for B.

[8:07:33 PM]

We do have a long way to go on Austin energy. And I have high hopes in fact expectations that during our term of service we'll work with Austin energy to advance the business model to places that it is not right now. I thoroughly expect that we're going to take a look and change on how we do the transfers involving Austin energy, and I think that we're going to be looking at the distributed power and future business models our portfolio in ways that I hope will reproduce rates for everyone -- reduce rates for everyone. With respect to the large users that have come to us, I want us over the next six months to come up with an articulated policy that applies to that universe folks. I for one would expect that at the end of that period of time, the ERCOT charge that is a pass through would be passed through to all of our customers, that the community benefit be that supports the activities -- Austin energy to benefit our community would be costs that would be passed through to everyone in a fair and equitable way. So whether there's -- even if there's an extension, I think everybody needs to be put on notice that that would be happening. But I think that when we start granting in some places and don't grant in other

places we create confusion and ambiguity and it's hard for me to articulate what the policy is, and in this and in all matters I will always strive find some moreover arcing policy that I can apply. And one that says that we're going to extend for six months all contracts that -- all primary contracts is a policy that makes sense to me because there have been issues that have been put in controversy in terms of what people are paying as customers live to the is industry.

[8:09:43 PM]

I think that Austin energy has indicated that they think that the nuns that have been -- Numbers that have been presented by the large power users are not correct and that there's a very strong case to be made that our rates are much more competitive than presented and I think the six-month period of time has as intended with the ones we've extended thus far would give us an opportunity to sit down and argue back and forth those Numbers. So I'm going to vote for ordinance B because I think it's consistent with the actions that we've taken. These folks have been on a contract up to this point so I don't think they've gotten a break. They've just been living with contracts that they have had, but the change from their position is greater now than the change that other people had going from the -- their old system to the new rates just by virtue of when it happened in time. It's a significant change. So I'm going to support ordinance B. Further comment? Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor.

>> Mayor Adler: And then Ms. Houston.

>> Zimmerman: I concur with all of your remarks, and I'm going to be voting for B along with you. But I think really what's happened here is we are all paying for the fact that we are a municipal-owned utility monopoly, and when I campaigned for district 6 back in the fall, I asked that we consider going to the markets that they have nay Houston Dallas, and we heard some testimony on this as to the rate advantages of having those deregulated markets or competitive markets. And so deregulated is the wrong word because even the competitive markets are still heavily regulated.

[8:11:47 PM]

I just think Austin energy has done about as good as they can do considering the business model that we have. So I just -- I'm wondering what can be done going forward. As long as we have the city-owned utility, I think we're going to continue to have this problem.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. And I apologize that I was not here for all of the testimony. I was listening on the radio as I came back. But I missed a great part of it. Let me say that I have an affinity for St. David's hospital and all the work that it does, the uncompensated care that they provide to the community. It's within walking distance to my home, and -- but I also know that many of the people who work at St. David's and Seton and Dell are the same people that are being hurt by the high electricity bills. And they don't have their wages -- their wages have not risen to the point they can take the continued increases in utility bills, and so I'm not going to vote for this because I have to think about those people, the people on the late-night shift, those that clean, those that cook. They don't have the luxury of being angle to manage when the rates are increased on the residential class and there's not an

accompanying increase on the large-usage class. So I will be voting against item 53.

>> Mayor Adler: I'm trying to figure out who is raising their hand.

>> Kitchen: I'm raising my hand.

>> Mayor Adler: Mr. Casar and then Ms. Kitchen.

>> Casar: Ms. Kitchen may be responding to this, but first my response as to the way I feel this is a good policy decision is that my understanding with the rate cases, there was strong reason given by Austin energy for possibly continuing to work with the top three because they were such a different class of customer, but, second, considering that councilmember kitchen may be bringing forth a separate motion if this one fails just to clarify, if the -- a vote against B is a vote against the whole package of the rest of the users getting a contract extension, which would include the hospitals, but then we could take a separate vote on just the hospitals separately.

[8:14:26 PM]

So for those who are inclined to consider extending the contracts for the hospitals but not for the other users, then I believe the appropriate vote is a vote no on ordinance B and then to consider councilmember kitchen's amendment as a third vote.

>> Mayor Adler: In that event I would call for that additional vote.

>> Kitchen: Okay.

>> Mayor Adler: Any further discussion on ordinance B?

>> Renteria: Mayor.

>> Mayor Adler: Yes, Mr. Renteria.

>> Renteria: I'm also going to be voting no because, you know, in my district, any increase on -- the rates have just been too high for my people there in east Austin, and they're really hurting. We're getting all kind of hits on our utilities, you know, we've got an increase on drainage fees, increase in wastewater, increase in water. It's just got to be -- you know, I hope that the corporate -- and I'm retired from IBM so I -- you know, I've worked with -- in the corporate field for many years. Over 34 years. You know, this is a struggle that's going on in this community that, you know, people are struggling to survive here. So it's not against the corporation. It's just that I need to, you know, support the people that have voted for me. So I'm going to be voting no.

>> Mayor Adler: Any further discussion on ordinance B? Ms. Gallo.

>> Gallo: I'm going to be voting for B and part of my concern is that I was not here two years ago during the discussion of the new rate structure to hear the dialogue and participate in the dialogue, and I was not here last December when the previous council voted to extend the energy contracts for the state of Texas and UT, you know, and as we talk about in different policy areas that -- the equity between residential and commercial on taxes, you know, I'm a little concerned that the vote to extend the energy contracts for the state of Texas and UT was perhaps not very equitable if we're also not talking about at least discussing the extension of the contract for these 12 other large employers.

[8:16:48 PM]

And that concerns me. And in voting to extend those contracts for six months is not me saying that I

think that the rates should be held to what their contracts are right now. Because I doubt I would support that. But I think there's some additional things that are on these rates that perhaps were not on the original contracts, like the community benefit charge and as we talk about hospitals, you know, there is certainly a community benefit that they are already providing that perhaps does not necessarily need to be part of their utility charge. And I think we need to have dialogue about that as part of the new contracts. But the reality is that people have to be employed in this community to even be able to pay their utility bills. And we're talking about major employers in this city that I think at least we have to give the benefit of a discussion for a handful of months here to be able to try to work through to come up with a comprise and a rate and a structure that is equitable so these companies with continue to employ our residents. So as a result of that once again I feel like I would like to give us the next six months to be able to talk to these large, large employers and be able to come up with a rate that is equitable to these companies as well.

>> Mayor Adler: Any further discussion? Ms. Kitchen.

>> Kitchen: Well, I have a quick question for Austin energy, I think. Really, and it's -- comes to mind from our discussion, I mean, I think we do have concerns about providing additional discounts and we're talking in terms of the funds that we've foregone from those discounts somehow translating into reducing rates for residential customers. So can you connect those dots for me? I mean, I'm not certain that I -- that I can see that were we to forgo -- were we to collect some additional dollars from these entities that that would translate automatically or would actually -- where would that money go?

[8:19:03 PM]

Could we even track that money would go directly to help customers in need?

>> The money is a basis for our forecast. So in the last -- actually, three years ago is when we did the rate change. And every budget year since then, in our forecast, we forecast that the revenue from these contracts, the difference, will go away.

>> Kitchen: Okay.

>> So we've been forecasting that. So our reserves and the rebuilding of our reserves, which were literally exhausted in 2010, the rebuilding of those would be hindered by not accumulating the revenue that we've projected in that rate increase, which was around \$23 million.

>> Kitchen: So the six months that we're talking about extending it --

>> Is about half of that.

>> Kitchen: So if we don't extend that, then those funds would translate into allowing us to reduce residential rates?

>> No. It would translate into us not accumulating the revenue that we had forecasted that we would get, and so that would put us at a disadvantage.

>> Kitchen: I see what you're saying, okay.

>> Mayor Adler: So that end, the opinion -- money that would be lost by extending these contracts not result in higher rights any user in our system, it would just slow the accumulation of reserves.

>> Correct.

>> Mayor Adler: By that amount. Is that correct.

>> That's correct.

>> Mayor Adler: It would have no impact --

>> No immediate impact. But I will say --

>> Mayor Adler: Just on accumulation of rates.

>> We are -- the largest risk we have is weather weather weather and performance over a summer. It all adds up but it can swing. It will.

>> Mayor Adler: Ms. Tovo.

>> Tovo: And I believe it was in our Austin energy council committees that several times you pointed out that we are not necessarily in compliance on all parts of our financial policies and that had to do with reserves, that they have not been replenished at a rate in compliance with all of our financial policies.

[8:21:14 PM]

>> That's correct. We are currently not in compliance.

>> Tovo: And so, I mean, there -- there is a measurable impact, and one of the -- you know, one of the issues that was a point of discussion in the rate case is the replenishment of those reserves and the need to do so, and we postponed -- I mean, the rates were set in such a way that postponed the replenishment of those because the contracts weren't online. As you indicated we'll be delaying -- we'll be delaying that move toward can be replenishing those reserves that would allow us to be on the path of compliance with our financial policies. Is that an accurate assessment?

>> That's an accurate statement, yes.

>> Mayor Adler: Mr. Casar.

>> Casar: Is it true that under the current contracts many of these customers are not paying the community benefit charge?

>> The community benefit charge and also the regulatory charge.

>> Casar: Isn't some portion of the community benefit charge to pay for programs that aid low income customers.

>> Yes.

>> Casar: So would these users be getting to pay the community benefit charge help us support those customers and those programs?

>> Yes.

>> Casar: I would be very interested in a future conversation if this ordinance B is to fail, conversation coming up about how it is we support those lower-income customers, the recommendations of the low-income customer and low-income carbon monoxide it was and how if making sure we have financial health at the utility we can help support those having trouble paying their bills. That would be very helpful helpful for us.

>> Mayor Adler: Any further discussion? Hearing none let's take a vote. All in favor please raise your hand. Troxclair, Zimmerman, Adler, Gallo. Those opposed. Five remaining on the dais with pool and Garza not on the dais.

[8:23:17 PM]

Ms. Kitchen, do you want to make a motion?

>> Kitchen: Yes, I'd like to --

>> Mayor Adler: Would you put on your microphone.

>> Kitchen: I'd like to move that we extend the contracts to the hospital and in the -- hospitals, and the language I think has been passed out to everyone. And basically it's limited to any hospital system that currently has a contract, Ipssc rider two contract and provides more than \$10 million in uncompensated care annually as reported to the state of Texas may extend for six months. You can see the language here. And, again, my reasoning is that I do think that the hospitals provide what I would characterize as a very direct service to the community in serving individuals who are oftentimes in desperate conditions and don't have access to healthcare so I think that's very important. And I think that the request to extend to six months to allow time for a more gradual increase in their rates is not an inappropriate request, given the other extensions that we've done. So --

>> Mayor Adler: Can we approve this on -- if there are seven votes does this get approved on second and third reading or because it's an ordinance do you need it just to be on second reading?

>> I believe with seven votes it would be second and third reading.

>> Mayor Adler: Wowed an ordinance drafted it's still possible for to us approve it on second and third?

>> Seven votes gets you first, second, third. May I ask for one point of clarification.

>> Mayor Adler: Yes.

>> We've had a lot of discussion about extending contracts for primary only versus primary and secondary. It the intent to cover the entirety of the contract or the primary accounts? I just want to make sure we understand.

>> Casar: Do you have the language.

>> I do. As written it would extend the entirety entirety of the contract. I want to be sure that's the intent.

[8:25:20 PM]

>> Kitchen: That's the dement.

>> Thank you.

>> Zimmerman: Mr. Mayor, the language says large Puerto Rico primary service, doesn't say secondary. Says large primary.

>> Kitchen: Ipssc, which I think is the large primary.

>> That's the name of the tariff but the contract -- tariff would include both their large primary as well as secondary accounts over five years to kw. That's just the name of the tariff.

>> Tovo: Mayor?

>> Mayor Adler: So Ms. Kitchen moves to extend for the hospitals for both primary and secondary service. Is there a second to that motion? Ms. Troxclair seconds it. Is there further discussion on this yes.

>> Renteria: Can I ask this the utility staff a question.

>> Mayor Adler: Please.

>> Renteria: How much is this -- it's going to cost us? Do you have the amount there how much it's going to cost for the next six months?

>> For the motion that's here, the hospitals itself? I might need some help. Hold on a second.

>> Give me one minute. We have a lot of Numbers. And I would add, too, that I would hope that the

hospitals are giving us permission to release that number, and perhaps legal counsel can advise.

[8:27:28 PM]

As you know, we prefer not to report Numbers for individual customers without their opinion so --

>> Mayor Adler: I'm concerned putting anyone to that election publicly like this. I'm going to step in.

>> Thank you for that.

>> Mayor Adler: I'm going to suggest that if we do this, we do this on second reading only and we pit it on the -- put it on the calendar for executive session next Tuesday and Thursday so that we can hear that number since that was not a number that we looked at before. So I want to -- we're not going to ask you to thanks question. Mr. Zimmerman?

>> Zimmerman: Thank you, Mr. Mayor. I'm going to be voting against this. I heard my colleagues talking about, you know, concerns over costs shifting. I think that was the rationale for voting down, you know, ordinance B, was there's concern that the residential small business, they've been paying these higher rates for years, right, since 2012. To single out the hospitals, I need to remind my colleagues, it was back in 2003 that we passed a hospital taxing district that provided additional healthcare in the community, that taxes have grown significantly since that first election in 2003, and back in 2012 we had another major tax increase for the hospital district that subsidized the university of Texas medical school. So we've got taxes piled on top of taxes for more and more money going for healthcare, indigent healthcare. So I'm going to have to vote -- I'm going to have to vote against this because I can't justify an additional subsidy only for the hospital system in light of all the high taxes we've been paying in -- for healthcare.

[8:29:28 PM]

>> Mayor Adler: Are you okay with making the second reading only as your motion?

>> Kitchen: Yes, I am. I would respond to councilmember Zimmerman, Seton and St. David's, do not get tax dollars. They are not the hospital district.

>> Mayor Adler: The motion is to extend for six months the hospitals on primary and secondary on second reading only. Do you also want to move to close the public hearing on this issue?

>> Kitchen: Yes.

>> Mayor Adler: All right. To approve hospitals second reading only, primary and secondary, and to close the public hearing. Any further discussion? All in favor please raise your hand. One, two, three, four, five. That would be kitchen, Gallo, Adler, Renteria and troxclair. Those opposed to the amendment? We don't have a majority on the dais. Did -- the remaining on the dais voted no. We don't have the votes on the dais to proceed. Is there any other motion to be made?

>> Tovo: You know, I hate to take a vote like that with members of council off the dais who might feel differently if there's an interest in postponing it, I certainly would contemplate that.

>> Mayor Adler: I would suggest rather than --

>> Tovo: I'm struggling with this one myself for the reasons that have been suggested. Hospitals do offer, especially those offering uncompensated care, certainly severance our community. On the other hand, we really considered carefully extending a discount to communities of faith and it had to do with

their demand pattern, not just good the work they do in the community. So this is really a hard one.
>> Mayor Adler: Does someone want to move to extend the hospitals as to primary only on second reading?

[8:31:34 PM]

>> Kitchen: I'll make that motion.

>> Mayor Adler: Ms. Kitchen makes that motion. Is there a second to that motion? Ms. Troxclair. This will provide a vehicle to extend it into next week. We have to have a third vote if we're going to do something by the end of this month is my understanding, so we would need a second reading vote to keep this alive to move it into next week, otherwise it won't move.

>> Houston: Mayor, may I ask a question. How many secondary accounts do we have for the two hospitals we're talking about?

>> Mayor Adler: That was on the powerpoint presentation, I think, that you had as well.

>> Zimmerman: Point of order.

>> Mayor Adler: Yes.

>> Zimmerman: Yes, Mr. Mayor. I have a point of order and maybe an inquiry. If we brought this back next week, next Thursday, if we had seven votes, couldn't we pass something on second and third reading next Thursday with seven votes?

>> Mayor Adler: It would require us to have seven votes.

>> Zimmerman: So there's a way to get it passed next week.

>> Mayor Adler: If we just called up on third reading would we need seven votes to pass? Even if it was just on third reading only? So it's not a combined vote?

>> If you post -- if you pass it on second reading today, the third reading would just require six votes.

>> Mayor Adler: Only be six votes. The difference is that it changes the number of people that would be required to ultimately pass it next week.

>> Mayor, while I have your attention, regardless of what happens it probably still would be a good idea to close public hearing. I just want to put that out there.

>> Kitchen: Mr. Mayor, I think that we're going to respond to councilmember Houston's question.

>> Mayor Adler: If you look at the board, you can see the primary and secondary locations. Is there a question?

>> Mayor Adler: No.

>> Okay.

>> Mayor Adler: I mean, these Numbers -- this -- the question, councilmember Houston asked was what were the primary and secondary locations.

[8:33:35 PM]

We have the powerpoint from St. David's and Seton's does that look right to you?

>> Yeah. They volunteered this information so the secondary accounts are listed up there.

>> Mayor Adler: I understand. It's been moved and seconded to extend for the hospitals as to their primary location only. It's been seconded. Any discussion? All in favor of the motion as made, the

hospitals, secondary -- hospitals primary locations on second reading and to close the public debate, please raise your hands. Looks like the same vote.

>> I don't think so.

>> Mayor Adler: One, two, three, four, five, that's correct. So it is tovo, kitchen, Gallo, Adler, Renteria, and troxclair. That's six votes. Those against? Houston, Connecticut, Zimmerman. So 6-3 vote. We passed on second reading to next week. We've closed the public hearing. It's on primary only for the hospital. Next item on our agenda -- did you want to speak?

>> Tovo: I just want to say, again, I was willing to support this on second reading so that we have an opportunity to talk about it in executive session, but just to let my colleagues know, this is a -- I'm really going to be thinking through this one over the next week.

>> Mayor Adler: Okay. Let's call up the next item. Let's do 52, the drainage fee matter. There's been a new rate structure proposed. Does somebody want to move adoption of 53?

>> Zimmerman: Move adoption of item 52 on the recompensation of drainage fee.

>> Mayor Adler: It's been moved floodplain -- is there a second to that motion to adopt the drainage -- fee?

[8:35:44 PM]

I'll second that motion. We have people that standard to speak earlier. Is staff sneer why don't you lay it out for us real fast, please, the drainage fee. What's changing? Thank you.

>> Powerpoint, please.

>> I'll try to go really fast. Good evening, mayor, mayor pro tem, council. I'm Sal, an engineer with the watershed protection department, we're here to discuss an ordinance we're proposing that will restructure the city's drainage fee. It's a -- in the drainage service section of each city of Austin utility bill this is not to be confused with the water or wastewater utility charge. If you'd like me to go fast I'll skip through some of the background about our -- okay. This is a little bit about what our department does, and I'm going to go fairly quickly about it but do I want to give a plug for atx floods, really good program that we have. I'll flip through this to be quick about it. So very quickly that's what our department does.

>> Mayor Adler: Even though you're going through it very quickly, we all recognize the great work that's done by the department on so many different levels. And you went through that with us in a briefing with the council before so everyone realizes that and we thank the staff responsible thank you.

>> Mayor Adler: Help us understand.

>> Getting to the meat of the presentation, our current drainage charge uses an equivalent residential unit so currently \$9.80 a month for single family and multi-family less than six stories.

[8:37:48 PM]

For multi-family seven stories or greater that you remember charged \$4.90 a month. That is based on an assumption of a certain a I am perking E pervious area, so a city-wide assumption average. Non-residential has that same average being use sod the 2.42 rate per acre, whether you divide the 2.42 by the acre or 9.80 bit 17.63 you get a little over half penny per square foot per month. We've dealt with a recent court challenging where the challenging was in district court, not a class action, though, that the

judge decided the drainage charge for multiple -- multi-family residences violated the Texas local government code. An appeal was filed and that action is stayed until October 22. If we make the changes in the ordinance, our understanding from legal is that the appeal would be moot. We have three primary goals for proposing this drainage charge in order to be more closely aligned with state code. One apply the charge to the property as a whole, that we feel is the best way to be representative of how to assess the drainage charge, not the number of units on the property. On this first goal I want to pause and point out motion sheet number 1 that's in your packet. This is a staff-recommended ordinance change that have more than one utility customer like apartments or commercial buildings with tenants. There's some discussion at the April 15puc meeting regarding how broadly the language in our billing ordinance section was drafted. We proposed changes to tighten up that language and primarily focused on two components, one is clarity on duplex, triplex, 4-mechanisms to divide proportionately and second a clear focus on billing the owner of the property, not the tenants, unless the owner can't be determined or located in which case the city determines an equitable method for billing customers.

[8:39:55 PM]

We understood from that PUC meeting the concern brought up tenants may have about owners or property managers using the drainage charge as a excuse to charge higher fees and there's also a clause in the code to address this concern. So because of that we felt there wasn't further change needed for the ordinance. We also anticipate providing some guidance on the web to owners or property managers with best practices on how to equitably distribute the charge to their tenants, for example proportional to the square foot of the living space of the property might be a good way to do it. The other two goals, which we feel are preimportant, is we want the charge to be calculated the same way for all properties, no distinction between land uses, whether residential, commercial, whatever. Rainfall can't tell the difference of land uses, and we felt that that was appropriate for the stormwater charge. And then, finally, make sure the charge is proportional as possibly possible to the impact of each property to the drainage system. I'll try to complain quick lit mechanics of the charge. Primarily based on impervious cover as defined in our city's land development code so that includes all kinds of impervious cover. We have done a fair amount of benchmarking. Houston currently has a system very similar. They use a mounted impervious cover. They have also added percent of impervious cover. Dallas has a current system based on lot size and broad assumptions for commercial. They're proposing just this year to do a measurement by impervious cover, although they plan on using thousand foot increments. San Antonio currently they have tiers by lot size and land use and in 2014 they proposed and they're still working on the change, kind of a 3-tiered residential and also by impervious area and square foot for non-residential. Clearly there's lots of ways to create a drainage charge. We felt ours could manage not to have any tiers. We felt the science is good enough and we can avoid having steps that people won't feel like they have to try to go to the next lower tier.

[8:42:01 PM]

We felt it was as equitable as we could get. We looked at a variety of methodologies and settled on

impervious area and % of impervious area, best accuracy and cost efficiency for administering the fee. Those are the two primary parameters we'll be focused on. We also have the benefit of a lot better data. We can use aerial photos, plan metric maps and geographic information systems to more accurately compute the charge specific to each lot. So the charge basically has three pieces. There will be a monthly based rate, square foot of impervious area and adjustment factor for the percent impervious. The base rate is very simply the revenue requirements for the fund divided by the total billable impervious area for the city. .055, less than half penny. The proposed 2016 rate would be .005, change is simply due to revenue requirements, not formulation in the method. The adjustment factor is based on the percent impervious. That's what drives it from the signs we developed from monitoring data in the local area over the past 20 years so fairly simply if your impervious percentage is equivalent to the city-wide average you'd have no adjustment, if your percentage is higher your fee would get adjusted higher, so 80 percent would get an adjustment factor of 1.4. I'll also flip through examples that we provided in the packet very quickly. Maybe pausing on some that we added since the PUC meeting. I believe you all saw these before. Now we're showing fy15 rate, making sure we're not showing the effective budget increases. So simply what it would be this year if it was converted.

[8:44:03 PM]

Single family houses, these particular examples, 1500 square feet, 2900 square feet, their charges go down. If you're in a larger home, multiple buildings, large yard, it's possible even with low impervious cover percentage your charge would go up per month. Duplexes, again, depending on the amount and percentage of impervious cover, your charge could go up or down in these examples they're going down. Townhomes are a little bit more dense and they're -- it's possible that their fees may be going up, although we're looking at -- for condos and townhomes, the configuration on parcels vary quite a bit and we're looking to ways to address in the administrative rules some of their common area parcels and mixing it with their individual parcels. In general apartment rates will go down. And these are two examples we had shown before. And for the high-rises as well, generally speaking, they will be decreasing in price. These were examples we had not shown before, small business, commercials, they'll act essentially just like houses because this is a land neutral Anthony it's the amount of impervious and percent not type of land use. And these two examples hovering around 50% impervious and varying amount of square feet, their fees will go down because they were already being charged the commercial -- commercial properties were already being charged per impervious cover. Their only adjustment is the percent impervious that affects them. Are examples of more dense, their rates would be increasing. And then these are examples of larger commercial areas whose rates would increase as well. I have some local up examples I'll be showing -- rollup examples, two pie charts that show the total budget for the drainage utility fund.

[8:46:04 PM]

The chart on the left shows the current eru method. So if you just look at the change in red to the proposed method to the right, that's the non-residential commercial as a total share of the total fund they'll increase a little bit, single family as well increases total share a little bit, multifamilies total share

goes down, as does lower density, non-residential. This is a table showing comparison single family by parcels impervious area, so not just the footprint of the house but the driveway and sheds and that sort of thing so you can see the distribution lower impervious cover generally will be going down, although it will be affected also by percentage. The user also -- some charts trying to show a comparison between which -- how many different properties would go up or down, 100% being no change, so higher than 100% to the right would be an increase in the drainage charge. So in the realm of less than 10% could see as much of a doubling in the drainage charge. Largest houses that might be two, three, four, five times larger than the average house.

>> Kitchen: Could I ask --

>> Mayor Adler: Yes, Ms. Kitchen.

>> Kitchen: I'm sorry. I'm trying to make sure I'm understanding the chart.

>> Mm-hmm.

>> Kitchen: So the increase in the drainage charge, you're indicating to the right those are the types of houses that could go up from what they have right now?

>> Yes.

>> Kitchen: Okay. Can you explain that to me again?

>> Sure, sure. I was going fast but I'll slow down. The five bar charts -- five bars here, the black line is kind of the break even, so the three Numbers to the right, 100 to 120% would mean upwards of a 20% increase in their drainage charge so 15% of the single families might see one to 20% increase.

[8:48:07 PM]

And then 120 to 200% would be 20 to 100% increase, 30 some%. But then there is that last piece out there of the current charge of 9.80, 9% of the largest houses could see as much as a doubling in their drainage charge.

>> Kitchen: Do you have an idea how many that is? You know, in terms of --

>> I think this -- I think the total number of single family parcels is in the 150,000 range. So 10% could be 10 to 15 thousand homes.

>> Kitchen: Okay. Ten -- so roughly speaking, tone 15,000 -- 10 to 15 thousand homes might see a -- their drainage fees go glop yes.

>> Kitchen: Roughly speaking, those would be the larger homes? Is that what you're saying.

>> Let me clarify. As far as which ones go up, out of the 150,000, maybe 90,000 would go up, maybe 60,000 would go down.

>> Kitchen: So most of them would go up.

>> Yes, majority would increase.

>> Kitchen: So the majority would increase.

>> Yes.

>> Kitchen: Hmm, okay. Do you have any idea of what size homes those are? I mean, I know there's a lot of factors so it's hard to --

>> Right. It's not just the size of the home.

>> Kitchen: You may not be able to say. So --

>> Yeah. I don't know that I can speculate too broadly. It's not just the size of the home. It's also the

percent of the density of the lot as well.

>> Kitchen: Too many variables. Just trying to get an idea it does sound like there's a large number of them that would go up.

>> Yes.

>> Kitchen: Okay.

>> Zimmerman: I think there's a general trend, though, isn't there in the home-building difference that the size of the lots has become smaller over the decades? The lot sizes are smaller and homes are eligible better so there's more impervious cover on newer homes.

>> Kitchen: So it might be newer homes as opposed to older homes.

>> Zimmerman: Homes in the 1970s will probably see an decrease, newer homes an increase.

[8:50:12 PM]

>> Kitchen: Does that make sense.

>> Yes.

>> Kitchen: Okay.

>> I have a similar chart. This is for single family. For multi-family the exact same chart. It shows fairly substantially there will be a decrease for the multi-family residences and very few will increase. That's because there's not going to be a whole lot of apartments that were so dense that will exceed their previously fixed charge of either 9.80 or 4.90. Finally, again, same chart with all non-residential properties so the -- basically the commercial properties. As I showing in the pie charts there's a slight increase in their drainage fee and then you can see their effect for the commercial, since they were already getting charged per impervious area, the only adjustment to them is the percentage adjustment. So if they exceed 50 percent dense tic generally speaking they'll be getting an increase in their drainage charge. We've been doing a lot of stakeholder outreach. When we developed the methodologies, we began checking its acceptance with a wide variety of folks. We met with -- and/or had presentations with Austin

[indiscernible] Council, various neighborhood groups who have expressed interest, stows, real estate council office, associations, downtown Austin alliance, home builders association, Austin board of realtors, greater Austin chamber of commerce, quite a few folks. We briefed the environmental board in December and committee in mid April, news releases for public meetings have had information posted on the web since January. We've sent out letters to all those currently with discounts to let them know about the proposed change. Our time line moving forward from where we are now, we kind involve three steps. The ordinance under your review today is intended to change how the charge will be calculated and assessed next surface fiscal year, starts October 1. There's still a lot of technical work that our department is doing and also Austin energy billing has told us they need find to 120 days to implement the rate change.

[8:52:21 PM]

So the process to revise the drainage utility charge is relatinged by law, state law, and then begins with the revisions to the city code. So while this ordinance that we're talking about now doesn't set the rates

for the total revenue of the drainage charge, the fee ordinance that will set the rate will be considered by council during the budget process later on. So at that time the approved budget would then set the adopted rate. Also, we'll have emergency rules that will need to be the temporary administrative rules for assessing and billing the charges. Those I understand can be adopted within 30 days of approval of the city code revisions and then this proposed ordinance, fee schedule and emergency rules will become effective October 1. And then after that we can adopt permanent.

>> Kitchen: Mr. Mayor, one more question.

>> Mayor Adler: Yes.

>> Kitchen: So on the three, did I hear you correctly to say that the amount of the fee would come as part of the budget process?

>> Yes.

>> Kitchen: So our discussions that we're having so far about who would be impacted and who would see a fee increase, that only applies if we keep the fees set as we have it now?

>> That's correct. So this is a revenue neutral change right now and then depending on how the budget is set, that's right.

>> Kitchen: Then so when would it take -- it wouldn't take effect immediately, in other words?

>> That's right.

>> Kitchen: And then the other question is -- relates to how the drainage fee is used, and I imagine that that is a discussion as part of the budget process, not impacted here.

>> Yes. The slides I flipped through at the beginning talked about the work that our department does, but, yes --

>> Kitchen: I'm just -- how is the money spent that comes in on drainage fees.

>> Right, right.

>> Kitchen: Okay. All right.

>> Mayor Adler: So I make sure, is that your presentation?

>> A few more slides. Would you like me to continue.

>> Mayor Adler: Why don't you go ahead and continue.

>> I'll try to keep going pretty fast here. We have had a web page set up since earlier this year providing I guess so to the government.

[8:54:27 PM]

On there, we have an estimator tool where you can go and key in your impervious glare square feet, estimate of it, and then an estimate of the size of your property. It will come back with your percentage and what that adjustment factor would be and an estimated monthly charge. The charge showing up here is an estimate for your fiscal year '16 charge since that's when it would go into effect opinion it is with an assumed budget increase for next year. This summer we plan to have a much more useful tool where you can zoom in, click on your lot, see how much imperviou cor you've got and actually get a more true sense. We are anticipating some appeals when this first rolls out, you know, discussing the effect of the impervious cover when people say I have a patio or don't have a patio, that sort of thing. Just two or three more slides here, reduced charges, just wanted to make sure we covered this point. We anticipate retaining the existing provision for reducing the drainage charge on residential property

based on specific need through the customer assistance program. However, customers associated with multi-family properties, where that charge is now going to be sent to the western not be eligible for this reduced charge since they won't be directly billed by the city anymore. Also we plan to discontinue the 20% commercial pond discounts associated with owning and maintaining stormwater ponds. We saw that it was an equity issue that it wasn't available to everyone, not currently given to all land uses on the commercial land excuse then also not to all types of stormwater controls. These stormwater controls are a basic requirement of development that everybody needs to meet. And, also, with discounts then, folks not getting the discount would have to pay more to recover the revenue loss from the discount. Finally, I wanted to touch on exemptions. About 37% of the city's impervious area is currently exempt from the drainage charge. No changes are currently proposed to the exemptions but I wanted to go over them.

[8:56:29 PM]

Stay code allows but does not require exemptions for state, tax exempt religious organizations and the currently currently exempts those groups with minor distinctions. The second motion sheet in your packet has a clarification item added to the ordinance. While we're currently exempting city right-of-way because it is an un-metered property, we wanted to add a specific exemption for city right-of-way to make it clear it would stay exempt. Now that the proposed ordinance would allow us to build un-metered parcels so perhaps a parking lot that doesn't have a utility bill, that sort of thing. Okay, and then, finally, next steps. We have a lot of work to get done before the proposed rate structure can be implemented. We have a lot of data sets that are very large and complex and we're still reviewing the data to make sure we're as accurate as possible. City billing needs to make changes to accommodate the rate fracture so that he as a critical path, especially the 90 to 120 days given to implement Austin energy's rate changes. Continuing outreach efforts, and we're working on new processes for adjustments that will be as effective as possible to reduce the need for an existing formal appeal process.

>> Mayor Adler: Thank you.

>> Thank you.

>> Mayor Adler: Can you pull back up slide 44.

>> Certainly.

>> Mayor Adler: I want to make sure that I understand the Numbers correctly here. There's been a lot of social media conversation and coverage in the media about the possible increase on renters of 50 cents a month if the 6% phased in homestead exemption were to be passed through to renters. But the council has talked about dealing with affordability for everyone, saying that not every tool is going to help everyone. And one of the things that we pointed to as action is that the council might take, it might take this evening, would be other kinds of tools that would help different groups of people and one were renters.

[8:58:43 PM]

You have the board on multi-family comparison, and it would look as if multi-- most of the multi-family

renter properties would see a decrease in their monthly charge. Is that correct

>> Yes.

>> Mayor Adler: If we wanted to know how much that monthly charge would be decreased, I think the data that you gave to us were that apartments and condos that were six stories or less, the savings, average savings for each renter would be about \$3.50 a month, is that correct?

>> Yes.

>> That would be about seven times as much as the possible charge would be for renters from an increase -- from the six percent homestead exemption if it were passed through. This would be savings that would be seven times as much, is that correct?

>> Mayor Adler: I'm concerned if it gets the same kind of social media coverage so people understand what's happening with renters. Even apartments and condos that were seven stories, the average would be less than half the existing monthly charge is that correct?

>> Yes.

>> Mayor Adler: We have speakers that have signed up on this if we want to go to speakers or people have questions for staff right now. Ms. Houston?

>> Houston: May I ask a question quickly. Under the motion sheet on exemption where's it says for independent school district, would that include public charters?

>> Atom honestly not sure.

-- I'm honestly not sure. No.

>> Under state law charter school is not actually an independent school district. So it does not exempt them.

>> Houston: Okay, thank you.

[9:00:44 PM]

>> Mayor Adler: We have people signed up to speak. David king.

>> Thank you, mayor, mayor pro tem and councilmembers. I made it down here safely. But I support this resolution, this amendment, and I think it's going to make the drainage fees fair, more fair and equitable than they were before. So I think this is good that those who have more impervious cover pay a higher rate. That's what it's all about. So this moves us in that direction so I think it's a good step in the right direction. And you know, we know that impervious cover, more impervious cover contributes to runoff, erosion and flooding downstream. So it makes sense that the impact that more impervious cover has, that that be factored into the rate. So what I would suggest is that we take it another step further and say just like we do on our water rates, if you use this amount of water it's the unit rate is a certain amount. If you go above that then the unit rate escalates. I think we should apply that same strategy to this -- the drainage fee. And we all know from experience how much flooding costs, how much we have to pay for flooding. And we also know that related to this impervious cover and the impact on our community is that the-- gosh, I lost my train of thought there. That it does cause the flooding, the increased flooding, and we have to turn around and pay for those costs.

[9:02:50 PM]

Other thing we do that we've done in the past is we've approved variances we've built into the floodplains that makes the problem even worse. I think we need to look at these things all taken together that we should not be approving variances for our floodplains, that end up costing us a lot of money. Let me just leave this. We are moving forward with codenext and one of the big things there is to densify the urban core. What does that mean? It means more impervious cover in the urban core. So that's something that we have to look at very carefully. It's not only the impact on flooding and erosion, but the eat highland effect in our you -- heat island in our urban core. So there should be a disincentive for impervious cover and so I think we need to escalate the per unit charge for impervious cover once you go above a certain amount for impervious cover. We shouldn't incentivize it. We should deincevntivize it. Thank you very much.

>> Mayor Adler: Thank you. Next speaker is Paul codero. Impervious cover good evening, mayor and council, I'm a full-time staff member with the Austin apartment association. The Austin apartment association was founded in 1964 and we have over a thousand members and they're all committed to providing quality housing and whole some living environments for all texans. We fully understand the purpose of the final drainage fee and how the funds protected are used to protect lives, property and the environment, and we -- and reduce the mitigation -- the impacts of flooding, erosion and water pollution. We also understand how difficult it is to overhaul the entire drainage fee system. This effort is not easy and we respect and appreciate the work performed by staff and this endeavor. They have met with our industry and not only shared information with our industry, but posted clear and concise information online, and we especially appreciate the calculator that they have posted.

[9:04:59 PM]

A support a drainage fee calculated in the same way for everyone based on the amount of everyone that you've seen tonight. Heretofore multi-family properties built with expensive and expansive detention pond systems were not eligible for any of the detention pond credits, and so going forward we know that the fees charged to multi-family properties will reflect the pervious cover that are part of these storm water detention systems. We appreciate that. Unfortunately with regard to the fee itself, directly building multi-family property owners was not part of the discussions held with the industry and it was only recently that this method of billing was revealed. However we understand the reasons for building, the property owners and multi-family units directly instead of individual tenants and how this needs to be part of the overhaul system. Clearly the issue will be how these new large monthly fees will be allocated to individual units. Exactly how multi-family property owners will allocate the fee among tenants is unclear, but what is clear is the methods will vary greatly. For property owners using lease agreements promulgated by the association there is a paragraph in the lease agreement that addresses storm water fees or utility fees and they should be able to sort of allocate those without delay with the proviso of course that they can't add additional charges to those fees. If properties decide to allocate the fees as new leases are signed or as leases are renewed, they can use an addendum that's promulgated by the association for that, and so -- they'll be able to clearly indicate if that fee is based on square footage or unit or person or any other clearly identified formula. Because of the many existing lease structures and property management operations, some properties will be in a better position to absorb the large monthly fee and allocate accordingly than others.

[9:07:00 PM]

What the impact -- what impact these differences have will depend on the many factors and it may take some properties a full year for their leases to sort of catch up before they can fully allocate and recover the fee fully. In all cases we have no choice but to encourage property owners to seek legal counsel prior to allocating the fee charged to their property and in the months ahead we will endeavor to share best practices with our members on this topic going forward. With regard the allocated fee it anticipated that the new calculated fees will result in --

[buzzer sounds]

>> Mayor Adler: Finish your thought.

>> With regard to the allocated fee it's anticipated that clearly as you saw on the charts that the fee will go down for multi-family are residents and we strongly support that, however not in all cases. There are going to be properties in the unique situations where the fees will go up and the city will have to be prepared as well as we are to sort of answer all those questions that come up as to why the fee actually increases. We're willing to work with the city on determining the exact fees by parcel over the next couple of months so that we can prepare ourselves and our members with the questions that arise and we look forward to doing that.

>> Mayor Adler: Thank you.

>> I do have my comments printed for your records.

>> Mayor Adler: Thank you.

>> Zimmerman: Very quick question for you. Is part of your argument that since you've already been required -- a lot of these larger apartment buildings have been required to build retention ponds and that additional capital expenditure you've made to mitigate your impervious cover so is your argument since you've already invested that money you shouldn't be charged additional fees?

>> We weren't getting the credit before, so in theory that credit should be embedded in the new fee, and we appreciate that.

>> Mayor Adler: Thank you.

[9:09:04 PM]

Ms. Gallo?

>> Gallo: As we talk about adopting new fees and ordinances it's always good for us to be reminded about the impact that it has fiscally, but also from a business standpoint from how you do your business and how you conduct it and whatever bureaucratic levels we're adding to it. Thank you. And I really appreciate the fact that I think the apartment association also is doing a good job of educating their multi-family owners and managers to understand this new system too. So I know city staff appreciates the fact that you're helping to get that word and that education out. So thank you.

>> You're welcome. Just to reiterate, some property management companies -- some properties are managed more sophisticated than others so there will be a wide variety of how this is sort of rolled out. We look toward to working with them and the city on this.

>> Mayor Adler: Roger wood and Ron Rogerson is on deck.

>> My name is Roger Wood. I work for Freescale Semiconductor. Apologize of getting overexposed tonight tonight, but I was here on electricity and I got asked to talk about the water. Freescale was unaware of the proposed changes, in particular the part that relates to the credit for past work that we've done on our system at oracles. We understand that credit is going away, but we haven't had any kind of discussion with the city of Austin to understand, you know, why is it that the credit worked before and it doesn't now? And the way we spent lots of money on our system to -- for example, we have detention, retention ponds and then we take this water and we use it back on the site again and we try to not discharge any of the water off the site.

[9:11:09 PM]

So that's the way we've operated for years and so now we don't understand what's changed about that for us. So we would request that we could at least have some time to have a dialogue with the city on what's being requested to change that impacts us. And I heard tonight some letters were mailed to the few customers that had this discount, but I don't know where they went, but I just know I scrambled around. We just found out about this a few days ago from another customer that found out about it. And I don't know if our environmental people who typically deal with this issue on site were aware of it and understand it. I'm just here requesting at least for this part can we get some type of an extension to have a dialogue with city of Austin water and wastewater to understand moving forward -- does this mean we can operate differently or what? What it means. I apologize. I'm not a water, wastewater expert. I'm not able to probably answer a lot of technical questions here tonight.

>> Mayor Adler: When we're done with the questions, I'll have staff come back up. Next speaker we have is Ron Rogerson. On deck is Deann Disjardin.

>> Thank you, councilmembers and mayor. I'm Ron Rogerson, spanion semiconductor. We're against the proposed changes, the 20% reduction for the credit. The proposed changes were not communicated to us until we received our letter on May 11th so we didn't have much time to respond. Trying to figure out what this is about and what it meant to us. And it only told us about this meeting coming here and to go look at the website.

[9:13:10 PM]

The proposed changes are equitying an inequity with companies that are required to install detention ponds in previous years. We invested to put a lot of money in to put the ponds in to meet city standards. We did not have a choice in putting in the ponds versus having other types of retention systems that would require less maintenance. We now have those and have to maintain them to city standards and which we do very nicely. They're inspected regularly and we comply. The 20% credit was a mechanism for equalizing ownership shops between commercial ponds and other watershed protection devices or systems that are out there because they're more expensive to maintain. It also rewarded people for doing a good job of maintaining their ponds. Removing the credit would equity an inequity for those that have the ponds that are maintained. There also should have been a more transparency and discussion with companies

[indiscernible] By sending us a letter and saying hey, and it's going to be voted on in a few days. That's

not very good especially when the costs are significant. I'm talking more than \$20,000 impact. At a minimum I think this portion of it should be delayed at least a year to talk about this. Why is the change being made and what are the impacts and is this the right move? Because there was -- this was put throughout for a reason and now all of a sudden it's not a good reason.

>> Mayor Adler: Thank you, sir. Next witness Deann disjardone. Mike Rodriguez is on deck.

>> Thank you, mayor, mayor pro tem and councilmembers. I'm Deann with catellus development. We're the master developer for the city's airport redevelopment project, Mueller. The watershed protection department ordinance proposes to change the factors that the city's drainage fee is based on and it's our understanding that the proposed change would establish the fee based only on the impervious cover of each individual parcel being billed.

[9:15:21 PM]

Unfortunatery although we understand the intent is to promote fairness by charging more properties -- charging more for properties that have more runoff for the city to handle, but unfortunately the proposed methodology doesn't currently appear to take into account planned developments like Mueller that accommodate runoff for the entire development by building shared water quality ponds that are located as amenities within the community parks. Not on individual parcels. The cost of these controls is supported by the property owners that share them, both businesses and residents. But because they aren't on the individual parcels they won't be currently factored into the fee calculation. Mueller's watershed planning provides the benefits, the parks and open space planned for Mueller are engineered with a purpose. They accommodate drainage from homes and businesses, they're built in an urban fashion on small hoots lots with high impervious cover and that's to preserve open space, which has permeable park acreage, community wide storm water detention and water quality controls. At the same time they provide public recreational space that's activated for citywide benefit for trails and playscape, fishing and events. Mueller's plan already accommodates runoff to the extent that its halted the flooding of neighborhoods to the south of what was the airport site when the airport was functional. Developments planned by Mueller use best practices accepting the responsibility for the detention and water quality that that development produces. We understand that conversations have begun with the watershed conservation deposit and the team that works on Mueller to explore an equitable approach to this type of development. We feel it's important to find an appropriate way to address properties with community-wide provisions before this ordinance change is enacted.

[9:17:33 PM]

We ask that you hold Mueller and other similar developments out of the ordinance while a methodology can be created for property that share community watershed protections beyond their individual parcels. We thank you for your consideration.

>> Mayor Adler: Thank you. Next speaker is Mike Rodriguez. Theresa Elliott is on deck.

>> Good evening, mayor and councilmembers. I should be on vacation right now. I delayed that to speak about this because I think it's that serious an issue, not on my own behalf, but on behalf of the people that live in our neighborhood. I live in south Austin. I'm in onion creek and the -- I'm on the board of the

onion creek hoa. We asked about half a dozen members to do -- half a dozen -- couple dozen members already to do the calculation using the city's calculator and what we came up with so far is a little different than what you were just briefed. And that is that the lowest fee increase for the people in our neighborhood, which is the largest category of homes between two and three thousand, would be 38 percent increase and my own would be about 260 percent. And I am not in the minority, nor am I the highest fee. What's kind of interesting about this is that they said there would be a multiplier that if you were above the city's impervious management of 53 percent my own home is 43%. So let's set that one aside for a moment. I know all of you ran on affordability and what I want to criticize about this whole scheme and if you listen to the briefing it sounds like they thought it out so well. It is a bureaucratic wonder the amount of thought they've given this, but I would say you should reject this alone on the basest it is needlessly complex and have an unfair result in the end. It's going to take a lot of man hours to administer to put it in the billing process and to handle the appeals that are undoubtedly going to happen, but they won't happen until October because people do not see this coming unless they've taken the time to use the calculator.

[9:19:36 PM]

I'll tell you how it masks that. This figure, remember they said over 50% of single-family dwellings will in fact see an increase. That is if they even come back and tell you what your budget needs are going to be for next year. I want to make a semantic distinction here. We call this a drainage 73. It is in fact a tax. It's something passive. They don't actually give you something for it, they do take something away and penalize you for it. That method of penalization is this. If you have a single-family dwelling that is one story you will get a much higher bill than a two story house. A lot of older houses are one story and I had somebody approach me from my status on the hoa and say I have a single-family dwelling with one story because I can't get up the stairs. So we'll be penalizing old folks in some cases who have to have a one story dwelling instead of going vertical because a one story dwelling necessarily has a larger footprint and usually has a driveway and a garage. We have larger lots because we're a neighborhood built back in the 70's and 80's and those larger lots have a longer driveways. So you will get penalized for that too. Newer families, the houses are right up on the street, short driveways. So it doesn't impact them. I think when we talk about affordability we should applaud that there is a single decision to reduce this fee for multi-family dwellings. That shouldn't however just be achieved by shifting it over on to the single-family dwellers.

[Buzzer sounds]

>> Mayor Adler: Thank you. Next speaker is Theresa Elliott. Gabriel Rojas. Dylan desai.

>> Mayor, mayor pro tem, council, thank you for the opportunity to speak to you tonight.

[9:21:37 PM]

My name is Gabe Rojas. I serve as parliamentarian. I learned under the esteemed Bettie baker and she saw fit to appoint me to the PC subcommittee during the adoption of imagine Austin so I was that voice on the PC semi during imagine Austin. Furthermore I was appointed to the boards and commissions transition taskforce to not only align the missions of the boards and commissions to imagine Austin but

to ready the structure for this new council structure. So while I'm here tonight to caution you against adopting the drainage utility rate structure as proposed. Recently I have just come off of completing San Antonio's rate structure restudy and I have done -- I have implemented city of Amarillo's rate structure. So I'm a state of Texas expert on drainage utilities. One thing I would like to talk about just to begin with is the adjustment factor is pretty much out of step with imagine Austin to begin with. To begin with the science of it is on a parcel by parcel level. It's not looking at water impacts both quality and flooding on a watershed level. So we know the latest science says that why we're doing imagine Austin, why you clustered development to leave more open space, why you exact is so open space naturally filters water into the ground and retains it much better so that's why you want to build your development more compact.

[Indiscernible]. More space is open. What this adjustment factor does is penalizes people for building more impervious cover on their lot. So what that's doing is on a watershed level you're sprawling and creating much more water quality issues and flooding issues.

[9:23:37 PM]

So what you want is to incentivize people to build more impervious cover on their lot, which is what imagine Austin says. So on the one hand we don't want to say build compact and connected, but we'll penalize you when you do it through this drainage charge. It out of step with imagine Austin and also it's the wrong matrix. We're meant a sizing people to -- incentivizing people to build smaller on a L what the real metrics should be is whether you're disconnecting your impervious cover from the system. A thousand square feet on one acre will drain into the system the same as a thousand square feet with curb and gutter on 10 acres. That rainfall will hit the impervious cover and come to the city drainage system. It's not a very adequate metric to measure impact to the drainage system. I'll caution you against adopting it right now. There will be much bigger impact to much more customers and to fees than what we've heard in item 53 even.

[Buzzer sounds] I thank you for your time.

>> Kitchen: I have a question. Mr. Mayor? Is it possible to just quickly tell us what the other jurisdictions that you mentioned do with regard -- do they do anything related to impervious cover? Do they look at it differently?

>> Amarillo went to a straight impervious cover charge. It's your amount of impervious cover. And that's the metric that all cities are going by now. That is a very good metric to say how much rainfall is going to hit the drainage system off your lot.

>> Kitchen: It's not a percentage, just a total.

>> They don't on do a percentage factor. It's just on a straight equity proportional impervious cover on a lot. That would be kind of the basis from where we start and then we start looking at incentivizing based on [indiscernible] Programs, infrastructure and all of that to improve water quality at the same time as flooding.

[9:25:37 PM]

Thank you.

>> Mayor Adler: Those are all the speakers we had, so -- this was an item to went to the public utility committee, which gives rise to the first question, which is how it showed up on our agenda without notation that it had gone through a committee because we treat them differently when they get here. So from an agenda standpoint we need to again make sure that -- we shouldn't see anything that comes back on this that hasn't gone through a committee without noting it's come back from a committee. And if it's not come back from the committee fast enough for staff we need to figure it out without putting it on the agenda. So the transition -- working group or something needs to deal with that question kind of going forward. So my first question to staff would have been is this something that would make sense for us to send to a committee because it sounds like there are issues to be discussed, but it went to committee and I don't know if all the questions that are being raised here today were addressed in the committee.

>> Zimmerman: Mr. Mayor, some of them were, but as I remember we voted it out of committee favorably as I remember.

>> Kitchen: No, I don't remember us voting it out favorably?

>> Zimmerman: I thought we did.

>> Kitchen: The other thing is I don't think we had a public hearing because we did ask questions and we heard a lot from staff, but I don't think we had members of the public testify. The testimony that we're hearing today is if I'm remembering correctly is new testimony and not something that we heard in committee.

>> Mayor Adler: I'm looking at a copy of the committee report from April 15th.

[9:27:44 PM]

It appears as if it was a staff briefing. The recommendation that the staff provide options on how it would be allocated based on the square footage of each tenant and with that question it was tent back to the council for a public hearing today. So that was the direction of the committee. But I would love to have staff address the question of what the impact would be if we sent this back to the committee so that there could be both public input and the briefing to resolve some of these issues or to address them or something?

>> Mitzi cotton with the city attorney's office. I was going to point out there were people that spoke at the committee meeting, though not the same people who spoke here today. I would let staff talk to their timing. I think the only issue they have with it going back to committee is the timing in order to be able to implement any change that you would want to make in the billing system, ae has said that takes a good 90 to 120 days to get that implemented for the October 1 implementation date.

>> Kitchen: So what would be the type time be then?

>> I don't have a calendar in month of me. They need 120 days for the billing people to put it into their billing system and make it work. With the new methodology. And then we need to back up from there.

>> Kitchen: If we were able to with the committee address it pretty quickly then it sounds like we could do that.

>> Mayor Adler: Mr. Lumbreras says there would be time. I would be inclined to do that. It looks as if at the committee meeting there was some request by members of the committee that there be a public hearing in front of the committee initially.

[9:29:49 PM]

I think you actually made that motion. But it was ed out that ultimately on an ordinance like this there would also have to be a public hearing at the council meeting. To avoid duplicate hearings it was -- the problem with that is that a public hearing just at the council meeting runs into all the problems that are we had initially. So it may be that in these instances there just have to be duplicate hearings because we're not in a position to be able to hear those kind of comments and work through these kinds of issues at this level. Another thing I guess for the transition committee to look at. I would be inclined to entertain a motion to send this back to the public utilities commission so that the staff could work through those issues unless that would be an unwise thing to do.

>> Yeah, I do want to clarify. In the public utility committee meeting basically there were two major issues that were brought up before the committee. And those were the two major issues brought up before you today also. Even though the people who addressed the council in committees were different, but the issues were similar. The first major issue is discount on commercial properties for their pond. And we have issued a memo to address the reasons why we do not believe that a discount should be continued, and that memo was sent to the whole council. I do not remember which date it was, but it was a couple of weeks before this hearing. The other one is direct building to the building owners and I think we received some support from the apartment association.

[9:31:51 PM]

I just want to clarify that.

>> Casar: Mr. Mayor, I forget if it was in the committee hearing or in conversation with councilmembers that one other wrinkle to the direct billing to the building owner rather than individual pen R. Tenants might also be possible difficulties. I don't remember if they are difficulties or not with customer assistance program related to those individual tenants. Have we developed -- do we have a smooth way to transition to make sure that folks can still receive that benefit or are we still working on that?
Attendant.

>> Mitzi cotton again with the city attorney's office. The cap or the assistance program only applies if you're receiving a bill. If you're an apartment dweller and no longer receive a drainage charge because going to the owner you won't benefit from that program because you're not paying it directly. We did have a discussion at the committee about the relationship between landlord and tenant and if approximate the city could get involved in that and make sure it was allocated as fairly as possible. I think what you heard the apartment association representative talk about and I think that Saul mentioned this earlier is the best management practices and getting together and having some meetings with the apartment people about how -- what are the methods for allocating that are equitable. I don't know that the staff came up with any method for putting the city between the landlord and tenant and figuring out how that landlord was going to pass on the cost of the drainage charge.

>> Casar: And that's a conversation that I would be interested in continuing to have whether it's in committee or before this full body. I personally am willing to support either one. I'm willing to do the

work here at the full council level if that's the will of the council or to attend the next committee hearing.

[9:33:52 PM]

I was unfortunately only able to watch pieces of it by video. But since I think part of the assumption is that part of it is being passed through, I would be interested in some way we could mitigate that or in considering that these apartment owners likely would not be qualifying for the customer assistance program when we are charging the drainage fee because they're not on snap on any of the other social service benefits. What the savings would be to watershed and what we were doing with those savings and if they're being used to help low income customers or not considering if their drainage fee is supposedly being reduced because we're trying to be more equitable with the charge of the drainage fee and most of the customers getting 50% of the drainage fee may no longer get it off if it's being passed through. I'm interested in continuing that conversation.

>> Kitchen: Mr. Mayor? I would support -- regardless of -- I don't think this is a reflection on staff at all. I mean, you did a good job presenting to us in front of committee and as you said we did have testimony in front of committee, but I think where we're at in this particular moment in time is really what matters and there are some remaining issues that need to be worked out. I think that doing that at the committee level would probably be the best way to do it. I think if I'm hearing that right we do have time. That would be my preference if we can say that we have time. I'm speaking for myself. I don't know about the other committee members.

>> Zimmerman: I need some expert opinion maybe from legal here because I thought something that was brought up in the committee was the public utilities are different. That we needed to have a full council public hearing. That there was some -- there was something discounted about us trying to do it in the limited committee of four members.

[9:35:57 PM]

Wasn't that the case?

>> Well, that was the saying that we would have to have a second hearing anyway. In front of the full council.

>> Zimmerman: Which is what we've just done here.

>> Mayor Adler: We could close the public hearing, still send it back to the committee to have work and have it come back. Because we've now had a public hearing.

>> Zimmerman: We're contemplating closing the public hearing and then having more deliberations in the four member committee?

>> Mayor Adler: We could always reopen the public hearing if we chose to do that, but we wouldn't be required to do that.

>> Kitchen: We would be closing the public hearing at the council level. That wouldn't prohibit the committee from having invited testimony or perhaps having other testimony.

>> Mayor Adler: That would be correct. I issued if I could make one clarification. If we're going to do this and it would be a very tight time frame, I might suggest we get some direction to staff for what we're

taking to the [indiscernible]. The things we've heard from the public and what -- if we can get direction from you about what exactly you want to go to the committee so that we're closer to being there because I think staff is very concerned about the timeline to get to that committee and then get back to council with enough time to get that adopted and get it on the 120 days, 90 to 120 days when they need to get it in the billing system.

>> Mayor Adler: It might be helpful if you could go back to the tape that we just saw and listen to the questions that were raised and just give an answer to those. And for the people who didn't know about this until now, there's not going to be a year opportunity, as someone asked for, but as someone would get questions back to council and to staff right away so that the staff could respond to those to council, you would need to act quickly to get those questions to respond. And then the council armed with those questions and answers -- not asking you to change the ordinance, but to provide answers to those questions, I think they would be in a position to then direct you.

[9:38:06 PM]

I don't think we could direct the policy questions.

>> I guess just to clarify what the questions are. I know we heard some talk about the ponds. I don't know if any of you have questions about the ponds. As Victoria pointed out there was a memo on that. You talked about the cap program, talked about cluster housing.

>> Kitchen: I'm happy to do that. I'm happy to take that on and put it together for you.

>> That would be great.

>> Casar: Mr. Mayor, one thing just to mention for councilmember kitchen as she puts it together, and thank you for your help with that, is also considering some of the questions brought up by Mr. Rojas regarding imagine Austin and how this can or can't support different parts of the comprehensive plan.

>> Mayor Adler: So if you would post that on the bulletin board and I would suggest everyone who wanted to have their questions show up on Ms. Kitchen's

[indiscernible] To get them to Ms. Kitchen so that she could consider putting them on her list. Ms. Tovo?

>> Tovo: I'm interested in the question that our representative from catellus raised. Obviously there aren't any other planned developments quite similar in other parts of the city, but I wondered if you had some thoughts on that at this point. And the question I think was does the drainage utility fee -- does the method take into account developments that have accommodated runoff throughout their development?

>> We had wrestled a little bit with that. The issue is how we build per parcel. And I mentioned it briefly on the town home examples where there's small townhomes lots and perhaps they have a common area. The question of combining the small lots with month areas is similar to the concern about cluster development for Mueller. If we did combine them and sent a big bill perhaps we could send a big bill to the hoa, but there was a concern about the hoa passing that bill through to the homeowners.

[9:40:08 PM]

We're open and receptive to have further dialogues along those lines.

>> Tovo: I appreciate that, thanks. And since -- this is a side issue. Since councilmember Casar brought

up the capprogram, I hope one thing the committee could consider is for customers who are living in all bills paid units or in units where their electricity might be paid or their water might be paid, I believe they are also not eligible. I know they're also not eligible to receive those benefits. So I hope that's something you all can grapple with too.

>> Mayor Adler: Let's talk calendar here for a second. The next public utilities committee meeting is scheduled for June 17th. And the last council meeting before we take a break is scheduled for June 18th. If we were going to -- it may be that the public utilities committee needs to find an earlier day to work on that? Or if it's going to be working through those things to be able to work iteratively with staff in the next three weeks and not just wait for that so that the work is done -- all the work doesn't have to be done at the committee meeting. So if we would be able to work in an iterative way, that committee, over the next three weeks, maybe it would be that the work could be done outside that group and the group could make a recommendation and we could post it for the calendar on the 18th with will expectation and hope that you would be working with staff and the 18th we could then decide.

>> Kitchen: Does that raise a higher bar on the 18th. We would have to pass it on all three readings. We would have to have seven instead of six.

[9:42:10 PM]

That's probably okay.

>> Mayor Adler: It would create that situation. Mr. Casar?

>> Casar: Could we not vote on first and second today so a majority vote would all that would be necessary?

>> Mayor Adler: We could do that.

>> Kitchen: We could vote on first and second today, send it back to any and --

>> Mayor Adler: Then we could act.

>> Zimmerman: So moved.

>> Mayor Adler: It's been moved to adopt this item 52 as drafted. On first and second reading to send it back to the committee. Also to incorporate the two motion sheet amendments and to approve on first and second reading and to close the public hearing. That motion is made by Ms. Kitchen. Is there a second? Mr. Zimmerman? Any further debate? All in favor of that motion please raise your hand? Those opposed? Mr. Renteria votes. No the others vote aye. Ms. Houston abstains. And Ms. Garza is off the dais. Okay. I would hope that the committee would work iteratively over that period of time so that you're just not bringing back and then we would be positioned to do a third reading on the 18th. Councilmembers, we have 10 more items on our agenda, only one of which has speakers. Item 22. I'm going to call up the speakers. This is the appraisal challenge issue. David king.

[9:44:13 PM]

Is Joyce [indiscernible] Here?

>> Mr. King, you have three minutes.

>> My name is David king and I live in the zilker neighborhood. I'm glad to see this item. I hope that you will proceed with the challenge. I think this is very important. The analysis that you brought back, it's

sort of brings into question Travis central appraisal district's own internal analysis that showed apparently that commercial properties were being appraised at 98% of market value that you got at the city commission is evidence of that. This shows we can proceed with this so that we can get a really good look at how commercial properties are valued in Travis county. The "Austin american-statesman" just did a story on may fifth that shows that the four seasons hotel in downtown Austin sold for \$197 million, but it was on the books at \$147.1 million. I wish -- actually, I don't wish that my own property could be done that way because I want to pay my fair share. I don't want to pay more than that, but I feel like when the commercial properties are not paying their fair share that, burden shifts to residential property owners. And that's not fair. And it also deprives the city and the school district and the counties of money that they need. And we talk about earlier we have these funding issues.

[9:46:16 PM]

A lot of what we talked about today, many of the items, where are we going to find the funding for this? If we can make the property tax appraisal system more fair that could be a source of income and it could also relieve the pressure on increasing property taxes. If everybody would just pay their share. So we would not have to raise taxes as much. I'm not saying use this as an excuse to spend more money, but I am saying let's make sure everybody's paying their fair share. And I've also mentioned this several times. The commercial properties owners come up here and they ask you for variances or waivers or entitlements or incentives and I just think that it's important that you look at the totality of the situation here when you make decisions about these things they're asking you for. These are things they're asking you for with a waiver, variance, density bonus or incentive. And I don't think it's fair for them to get those extra incentives and benefits and then be able to take advantage of our commercial property tax system. And I don't think the legislature is going to really help us out here.

[Buzzer sounds] I think we have to do all we can here at the local level. Thank you for doing this.

>> Mayor Adler: Is ward Tisdale still here? Heidi Iraq? Guidance, mayor, mayor pro tem, -- good evening, mayor, mayor pro tem, councilmembers. I'm here to speak in optician to this commercial appraisal challenge.

[9:48:18 PM]

You'll forgive me, I've got a few notes here. I apologize that ward wasn't able to stay. He had his daughter's choir banquet this evening so he had to leave. So first of all I think -- he's putting up a chart for me here in a second. You may know that property values on commercial sites have actually increased substantially over the last several years similar to the way residential has. And we put together this chart, which I'm hoping will be up in a second, and it shows a sample from both residential side and commercial appraisals. The top one is residential and the bottom is commercial. And it's appraised to sale values. It shows a very similar trend is happening with both residential and commercial properties. We had to take a longer time period to get enough property for the commercial side because there are fewer commercial properties and they change hands less often. I would be happy to share this with you. The commercial data came from co-star and the residential came from various multiple listing services and things like that. Moreover we know that the taxation process could be delayed with this petition.

The "Austin american-statesman" talked about the potential for that and we're concerned about the taxing jurisdictions having enough time to do what they need to do, including the school district. We also know that they could potentially help homeowners from getting their federal deductions for their homes, which could cause as much trouble. Personally for me it would cause significant amount of trouble. We know that affordability is a major concern in Austin and we've been talking a lot about things that might help and they would be helpful to all citizens in Austin.

[9:50:21 PM]

I want to say that we're not a fan of this and hope that you vote against it.

>> Ms. Iraq, would you share with the legal department the underlying data for this -- for this?

>> Yes. I will email it to all of you.

>> Mayor Adler: That was the last speaker we had on this issue. We will set this for the work session on Tuesday as well as our council meeting on Thursday. As part of the work session that we have on this on Tuesday, we have time for all of us to be able to discuss that amongst ourselves. We have also invited the chief executive officer, the chief financial officer and counsel for Travis county, the Austin I beg your pardon school district, ACC and central health to also join us here in a conversation. My intent at that point even though it's a set meeting so that we can all be in here is literally to put chairs in a round so that we can talk. I asked the city manager to sit -- the mayor pro tem to sit with me as well as the city manager and we've invited Travis county appraisal district to participate with us in that participation as a partner if they're willing to do that so that aspect of the work session discussion that we'll have next Tuesday. And then it's set both for discussion and action next Thursday the 28th, which would be our last opportunity to take action on this if that's something we wanted to do.

>> Kitchen: The Medina county you're talking --

>> Kitchen: The work session you're talking about -- we'll all be present.

[9:52:26 PM]

>> Mayor Adler: It's work session because there will be work for us to do. And we are trying to assemble some of our community colleagues and partners at 9:00 that morning if that's the time that works for them, but we have made that meeting part of our work session so that all of us could be in the room even though it would just be the mayor pro tem and I sitting at the -- in that round, just because --

>> Kitchen: Can we be part of the discussion, the rest of it?

>> Mayor Adler: I think we could. The problem is it's already 25 people sitting there. If we added 11 more people, it made it kind of unwieldy. My suggestion would be that you pass questions up to us or grab our seats, but it was that I didn't want pulling people in the community because they would have wanted to have all the commissioners potentially. It just seemed unwieldy to me.

-- Wieldy to me.

>> Kitchen: I understand that. I would just like to be part of the discussion. I think it's helpful that since we're the body having to make the decision --

>> Mayor Adler: Lets you and I continue to talk between now and Tuesday about logistically how we might set that up. Because we're the hosts and we could set that up however we would like to. So let's

continue to talk. But I just wanted everyone to know that we've invited in our community partners to also give us feedback. We've gotten some comment. The city manager as well as one of the councilmembers from Round Rock has contacted us urging us to be cautious in doing this or not to do this because of the logistical issues and challenges associated with this. We have also told them of the meeting that we're gathering on Tuesday. But I did not invite them to sit in the round with us again because I was concerned about having potentially 50 or 60 people sitting in the round with us.

[9:54:34 PM]

But we can continue to talk about the logistics of setting up that meeting as well too. At this point is there any further discussion on this issue? Should I move to the next issue? Ms. Tovo?

>> Tovo: I just a quick question for my colleague. Councilmember Gallo. It looks as if you added some information as backup to this item and I wondered if you could just spend a couple of minutes -- it looks very useful and I appreciate having it, but I need just a little bit of an explanation.

>> Gallo: I don't know if you want to put this on the screen so people can see. It's the yellow that was late backup.

>> Art was here this morning and obviously left. I think probably long ago, but this was -- this is information that was provided by tcad, and just to go up -- let me wait until she puts it up. He puts it up.

>> Mayor Adler: While that's waiting to come on, we have the work session on Tuesday where the folks are coming up and our staff would talk to us, but I would also recommend that we move off of our general rule about inviting other people to come speak to us at a work session. Art quarry might be a good person to come talk to us, buck wood might be a good person to come talk to us. So be thinking about that and let me know, but I think it would be probably appropriate for us to bring in other experts.

[9:56:37 PM]

This is a big decision we have to make. We'll have those two meetings and we should probably take advantage. The only thing we have set on Tuesday work session right now is the briefing on watershed, assuming we get the Numbers tomorrow on what the financial impact would be of moving the -- the policy question we were asked about, how large a relocation package to give. That was set on Tuesday and then this item was set on Tuesday. And then there was also an auditor question that we'll need to dispense with as a group as well. But I think that the bulk of that time we could probably devote to this challenge question and make best use of that time. Ms. Houston?

>> Houston: Mayor, what are the times?

>> Mayor Adler: We're convening at 9:00.

>> Houston: Until?

>> Mayor Adler: Until we decide we want to stop. But my expectation would be is that if we have a big group here, if we have experts coming in this might work into the afternoon. Because of the magnitude of this question. Ms. Gallo?

>> Gallo: So as we were trying to evaluate this and determine what tcad, Travis county appraisal district, had done as far as increasing the tax values that had been mailed out to all the property owners, I really wanted to kind of see a chart that would summarize that in a real clear way to see it because obviously

our concern is that everyone that owns a home has already opened up their values and probably everyone has seen their values go up pretty substantially. The very bottom -- the next to last line is residential and what it does show is that the percentage increase for the residential values were 17% over the final value in 2014.

[9:58:39 PM]

So just to read through the columns to help describe what each of those are, the first column shows the breakdown in different types of property. The second column is the number of properties in that category. The.

>> Gallo: The third column is the 2014 final value, and so that is the initial value that was made, that was mailed out in may of last year, less any protest amounts, and so the final value is the value that you end up with at the end of the year that's certified. So that's the 2014 market value. And then the next count is the count for 2015, number of properties, and then the 2015 initial market value that's been mailed out by tcad, the second amount under 2015 is the new value, which is for new construction. So in this analysis, the new value, the new construction was subtracted from the 2015 market because its new value that's been added into the base is not the result of appreciation but is the result of new construction being added to the tax base. So when you remove that, then you get to the last column, which is the 2015 initial market value, less the new value, which is construction. So when do you all those subtractions and you end up taking the last column and comparing it to the first column of 2014 final market, that's how you get the percentage increases. So I think what that showed me as I was looking at it is we have residential at a -- so the Travis county appraisals district has sent out values this year that are these percentage increases over the final values from last year. So it tells me that we've got 17% increase in value bills that were sent out, but as you can see, the other columns are much more substantial.

[10:00:50 PM]

And some of them are twice, commercial, industrial is at 37%. So what that told me was that Travis county actually has done a good job at really pulling up the non-residential property values well over and above what the residential values have gone up and been billed this year. And that was really kind of the analysis that I wanted to see as we talked about how much more we can get by going through the challenging.

>> Mayor Adler: I think it's important to note, you know, just -- that if you look at the study that was given to us, the study specifically noted that the -- that they're looking at the 2015 tcad appraised values before protest. Our study recognized that there was potential improvement in the tcad undervaluation, specifically because of what you just identified. But even after taking that into account, the study we got concludes that most of the historical undervaluation continues into year 2015, that the values had fallen behind for so many years that even though there was some catch-up, it was still below the Numbers they suggested. And I also want to repeat and confirm what you said. Our study does not suggest that tcad as doing anything but a good job. Our study seems to imply, as I read it, that they did allele good job based on the data available to them. And I know that the Travis county head appraiser has said for a

long time -- and I watched her say multiple times last year, that if she had better data, she thought that her conclusions could be more fair. The market data that was presented in our report, she didn't have access to 90% of that data.

[10:02:57 PM]

And when the -- we're in the process now of sharing that data with her so that she can see that data and understand that data, and I'm anxious to see if she's able to confirm what she has been telling the community for the last year, which is if she had the better data, she would be able to come up with more fair results and we'll see whether having additional 90 -- you know, 800, 700 transactions helps. My hope again that we'll be able to work together. Tcad and us and our other community partners, to do this -- to collectively look at whether this is a tool that makes sense for us to use.

>> Gallo: Let me just say one thing I forgot. The other thing to keep in mind, too, is that residential is limited to a ten -- residential tax rate is applied to a maximum of a 10% increase in your value from the previous year. So if you get a tax bill -- if you get a tax valuation that goes up more than 10% from your last year valuation, the tax rate is only applied to the 10%. So what I'm not clear about and we can ask before next Tuesday, I'm assuming that the 17% that we've seen in residential is actually, from an -- the other increases and percentages are not capped at 10%.

>> Mayor Adler: Okay. Have you spoken yet?

>> Kitchen: No. He can go ahead.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. Very quick point. The data is certainly interesting, but what it leaves out is what was the initial undervalue before you saw these increases. I think that's the point. We have a report and the mayor touched on this too, that the commercial properties were very significantly undervalued before you put in these rather large increases for this year, whereas when it comes to our residential, a lot of people are complaining that they can't sell their home for what tcad says its worth.

[10:05:08 PM]

So I think that's the issue, is that the residential already started pretty close to its market value, but the commercial did not.

>> Kitchen: I would just add, to me it's not so much a comparison of the percentage increase between residential and commercial. What I'm more interested in is how closely commercial is compared to itself. In other words, how closely we're getting with commercial property for an appropriate valuation.

>> Mayor Adler: Okay. Any further discussion on this item number 22? We're not going to take any action on 22. So we're going to move ahead to the next item on our agenda, which is item 29. This is a report from the economic opportunity committee concerning authorization to negotiate and execute an agreement concerning artwork for the women and children's shelter renovation.

>> Tovo: Mayor.

>> Mayor Adler: Yes.

>> Tovo: While staff members are coming up, I want to say if people are home watching this item, I know those people knew we weren't voting on it today so didn't come down. I really would encourage

community members to voice their input on this. If you're a homeowner here in Austin, some of you have weighed in on whether you believe we should pursue a challenging petition but I do really want to hear from the public on this item here in this next week. I'm really looking forward to the Tuesday discussion with the other taxing entities but I'm interested, too, in what our residents out there understand about it and whether there are questions we can answer for them.

>> Mayor Adler: Before we have the staff briefing on this item 29, is there a motion to extend our meeting past ten.?

>> Zimmerman: So moved.

>> Mayor Adler: Zimmerman moves. Is there a second.

>> Gallo: No.

[Laughter]

>> Mayor Adler: Is there a second?

[10:07:10 PM]

Second? Ms. Houston seconds. All in favor of moving past 10:00, please raise your hand. Those opposed. N okay, let's continue on. So we heard this discussion before, and it was brief. Before we have the staff briefing on this, what was the recommendation of the committee?

>> The recommendation of the committee was unanimous to support the item. We did have a more thorough discussion about the art in public places program in general and maybe some things we can talk about in the future to make sure that the projects are more collaborative or we do work with the local community or surroundings to ensure that the project is what the public expects for the money. But this item in particular we thought it was appropriate to move forward. Councilmember Houston, do you have anything to add.

>> Houston: I think that's it.

>> Mayor Adler: Is there a motion to approve item 29? Mr. Renteria. Second by Ms. Pool. Item fine moving forward and approving this, given the conversation. Is there any further discussion on this? All in favor of approving item 29, please raise your hand. Those opposed? Unanimous on the dais, exception Mr. Zimmerman voting no and Ms. Garza off the dais. That gets us to item 41. Was postponed -- was that postponed? Okay. 41 was postponed. That gets us to item -- we have three items left.

[10:09:11 PM]

Number 49. Is that next item that I have is that right? I'm sorry? For the record, we're going to withdraw the three items for executive session. They were posted on there in case we needed that opportunity. I don't think we do. So that gets us then to item 49, 50, and 51 are the last three items on our agenda. Item number 49 is a public hearing regarding the Texas gas service proposal to increase customer rates. Staff, you want to set it up?

>> Good evening, mayor, councilmembers. I'm Ron Della Hawkins, telecommunications and regulatory affairs officer. This deals with Texas gas service's proposal to increase customer rates by applying a rate adjustment through the gas reliability structure program provided under the Texas utilities code. And it's known as grip. So I'll be using that acronym. So the grip statute allows a gas utility to recover additional

invested costs and expenses for its infrastructure made during the interim period between rate filings. Under the gas utility regulatory -- gas utility's regulatory act, the city has original jurisdiction dictation over gas utility rates set for customers within its city limits. After a complete and thorough review, our rate consultant has indicated that the Texas gas service proposal complies with the grip statute and is reasonable with respect to its plant costs and rate of return. The current fixed residential monthly customer charge of \$14.24 will increase by \$1.04 to \$15.28, is a 7.3% increase. The commercial fixed monthly increase is by \$3.98 to 33.40.

[10:11:19 PM]

A 13 and a half% increase. If approved these grip rates become effective for meters read on or after may 27. This concludes my presentation. Staff does recommend approval of the proposed ordinance, granting the rate increase of Texas gas service. Also, the public utilities committee recommended approval at their meeting on may 20. Thank you, and, also, Texas gas service representatives are here if y'all have any questions for them. Thank you.

>> Mayor Adler: Is there a motion to adopt 49? Empties pool. Is there a second to the motion to adopt? Ms. Kitchen. Any discussion on this item?

>> Casar: Mr. Mayor.

>> Mayor Adler: Mr. Casar.

>> Casar: One brief question. The next time we're doing a rate case for gas, is that -- that's next year?

>> Yes. Texas gas service is required to file for a full rate case November -- by November of 2016.

>> Casar: Great. I will be supporting the motion, understanding that our consultant did hard work. I appreciate the work staff has done. It is -- 7.3% is a substantial increase so I look forward to when we do the full rate case, looking closely at how we do these rate increases but thank you for your hard work and thanks Texas gas service for their work on this as well.

>> Mayor Adler: Continuing on in debate. Ms. Kitchen, I understand that -- whose evernesian was, Ms. Pool's -- whose ever motion that was, that included also the element of closing public hearing.

>> Pool: It did.

>> Mayor Adler: Okay.

>> Pool: I said that. I just couldn't hear myself say it.

>> Mayor Adler: Right.

[Laughter]

>> Mayor Adler: Any further debate or discussion on this I'm?

>> Houston: Well, I'm going to have a little debate, not a debate.

>> Mayor Adler: That's fine.

>> Houston: Conversation.

>> Mayor Adler: That's fine.

>> Houston: The rates are killing us. Nickel and dynamic us to death out there in the community, and I know that this rate is going to -- is infrastructure repair.

[10:13:28 PM]

Is that correct?

>> Yes. These expenses have been incurred by Texas gas for infrastructure, whether it be gas mains, service line extensions replacing pipe, and it's -- it is for capital investments.

>> Houston: Okay. The issue for people who have low resources and some of us that have a little more resources is that whenever there's a rate increase, it never comes back down. We just keep going up. So it's -- I just want people to be really aware of the fact that we -- about to pass several different things in the next couple of weeks about rates, and on the customers, it's -- they're going to be surprised when their bills come out. This is coming up fairly quickly. Next week?

>> Effective on or after may 27th. And just in response, I mean, we are very sensitive to the increases and that's why we do take a very thorough review in looking at the filing, and it -- you know, by state law, they are allowed to recover these costs costs and we ensured that the costs were reasonable, just and just for that point, to ensure that the rates are justified, the rate increase is justified.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Thank you. We heard this in committee, and it's my understanding there really wasn't much we could do with it. The acronym was app memory named. You're in the apply named. There's really nothing we would do. I tell you my frustration, as I was driving in listening to kblj radio, I hear Texas gas service advertising a \$225 incentive if I buy a new gas dryer, and it frustrates me to no end because I can't tell if these incentives, the radio ads for incentives to hand out money for gas dryers, is that part of the rate increase?

[10:15:37 PM]

I'm going to say -- you're going to say no, but how did we know as rate payers that we're not subsidizing radio commercials to get incentives and subsidies to buy new gas dryers. It's a frustration. I'm going to vote against this but I expect it will pass anyway. Sorry, I'm just frustrated.

>> Mayor Adler: That's okay. Further discussion on this item 49? All in favor of 49 please raise your hand. Those opposed? We have the -- the vote is 7-3, with Houston, Renteria, and Zimmerman voting no. And Garza off the dais. That gets to us item 50, which is another grip case.

>> Yes. This item deals with Atmos energy. Their midtex division they proposed an increase in their customer gays rates under the rate revenue mechanism, which it's a rate adjustment mechanism that the council approved in 2013. And the -- I refer to it as the rrm, rate review mechanism. The rrm is a process that allows Atmos to request rate increases to recover annual cost increases in the years between its full rate case filings and this is in lieu of the grip. And Atmos submitted its 2015 application to Austin and its other cities seek a systemwide rate increase of \$28.7 million which equates to about 5.6% increase. And the Atmos midtex division serves a total of 1.2 million customers. In Austin they serve approximately 8200 customers. In may of 2014, the city of Austin denied a 9.2 rate increase proposal from them and Atmos appealed our denial to the railroad commission who just on April 28 issued a proposal for decision that largely favored the Atmos appeal.

[10:17:46 PM]

I believe it was -- I think the railroad commission proposed to grant about 90% of the rate or 95% of the

request. So the railroad commission staff proposed a \$42.9 million increase for that 2014 request, which is expected to be approved by the full railroad commission. And the city is a member of a cities coalition known as the Atmos Texas municipalities or atm and it represents 55 other municipalities and approximately 150,000 customers. The atm coalition worked with outside council and rate consultants and negotiated with Atmos to reduce their 2015 increase to 28 -- 21.8 million from 28.7 million systemwide. Atm special council and the committee recommends we resolve both the 2014 rrm and the 2015 rrm at a -- in a single settlement agreement that would approve a total increase for both years of about 65.7 million systemwide. And so the impact of the -- of this proposed settlement would increase current monthly rates, excluding cost of gas, for the residential customer by \$1.14 or 4.45%, for commercial customers, \$2.69, or 4.01%. If approved, these rates will become effective June 1, and we do recommend approval of the proposed ordinance granting the increase. This item was reviewed by public utilities committee on may 20 and was sent back to city council with no recommendation. And this concludes my presentation. And we do have randy Hartford from Atmos energy in attendance if you have any questions.

>> Mayor Adler: What does it mean to come back with no recommendation? Do you know why it came back with no recommendation?

[10:19:51 PM]

>> Zimmerman: We wanted the issue to be heard. We kind of thought there would be public hearing and we wanted the issue to be heard before council. It is kind of late here, at 10:20. Geo.

>> Troxclair: I guess, mayor?

>> Mayor Adler: Yes.

>> Troxclair: I'll just add, we heard both of these issues, the grip issue and this one, was that yesterday?

>> Yes.

>> Troxclair: Oh, my gosh.

>> Troxclair: Yesterday. And the one that we just passed with was a little bit more straightforward. This one -- and we did recommend -- we made a positive recommendation out of the committee. This one was a bit more complicated because of the contention with the railroad commission and the -- what you just explained, just different. It's the same, kind of the same issue, but two different mechanisms and this one had -- we did, I guess, not approve the rate increase in 2012, which -- '2013? Which led us to the railroad commission inspect was just a little more complicated. We didn't necessarily have any specific, strong negative objections. We just thought we weren't -- we didn't feel quite as comfortable with this one as the previous item. So we didn't make a recommendation.

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: I think the issue was -- it wasn't 1.5 million. I thought we, Austin, the Austin area, was about 8200 customers out of 150,000, not a million. Isn't that right?

>> Atmos, their midtex division total number of customers is 1.2 million, and the coalition that we belong to has -- represents 150,000 customers or 55 cities, and in Austin, Atmos has 82 -- approximately 8200 customers.

>> Zimmerman: I thought the issue -- I thought this was related to the about the 155,000 customers, and we are a very, very small, you know, percentage of that, right? If we, as a council, if we voted against

this and tried to fight this increase, we'd be left alone as a small part of this customer base to have to burden all the costs of some other appeal.

[10:22:04 PM]

So even though we don't necessarily understand the rationale for the increase, if we fight it, we're going to incur tremendous costs and risk of losing an appeal.

>> That's right.

>> Mayor Adler: Okay. Further discussion? Ms. Tovo.

>> Tovo: Just a quick question. So in 2013, as I recall, the staff -- what was the staff's recommendation in 2013 on the increase?

>> In 2013, we --

>> Tovo: City staff, I should say.

>> Yes. We recommended approval of the 2013 -- it was the 2014 that we denied.

>> Tovo: I'm sorry.

>> Which went to the railroad commission.

>> Tovo: But did staff recommend approval of 2014, of the 2014 increase?

>> No. We denied. And the council denied.

>> Tovo: Right, I remember the council denied. Didn't remember whether staff recommended. Okay. So the staff recommended disapproval in 2014. It went to the railroad commission. As you said they agreed with about 90% of it. And you are recommending -- the staff are recommending this current proposal, and could you sum up why? Did you feel the settlement was reasonable?

>> Certainly. So because the 2015 -- we had concerns about the 2015 filing that -- which based our denial for the 2014. But realizing since the railroad commission approved the majority of the 2014 request, that more than likely, if we were to deny it would go on appeal to the railroad commission, chances are high that they would approve and we were able to negotiate down, you know, for 2015 about \$7 million less than what was requested. So we had to look at the whole picture, and we felt that was the best. And the other cities in the coalition are moving forward with recommendation approval.

[10:24:06 PM]

We just feel this is the best we can do for the ratepayers.

>> Tovo: Thank you. Appreciate that. That gets, I guess, into councilmember Zimmerman's point about the cost of appeal. Thank you very much. That's really very helpful.

>> Mayor Adler: Further discussion?

>> Gallo: I've got a question. It's sounding like that we're fairly limited in being able to hold down the rate increases on our gas for our residents on their gas bills. Is that . . .

>> We have original jurisdiction and we do have, I think -- through the rate cases, that's where we can look at the rate design and, you know, we have -- that's much more of a better opportunity for us to look at the rate structure. But these -- the statute, grip statute, for example, I mean, it allows the recovery by the gas company for these capital investments, and it's -- we ever somewhat limited.

>> Gallo: So is this a legal question that we should take up in executive session? I mean, I hear and I feel

the same way, that we've got to do something to keep utility bills from continuing to go up and up and up for our residents, but at the same time, we have to make responsible choices so that we don't end in lawsuits that end up costing the city and effectively causing those rating to up anyway. But I just don't have a sense of what flexibility we have here without subjecting ourself to legal ramifications of a lawsuit. So my question is, is this something that should be addressed with --

>> Mayor Adler: That's an interesting -- probably we could take a briefing on what the limits are on these gas rates cases. I don't know whether that would be a public briefing or an executive session briefing.

[10:26:07 PM]

Or if there are mixed questions associated with that. But let me work with legal and, one way or the other or both, we'll go ahead and post this question as concerns these matters more generally.

>> And I do just, just Clark Conwell is our assistant city attorney, and he sent a legal memo about it a month ago, three weeks ago, something, when the first ones came up. So there is something out there. We'd be happy to present it, in other information.

>> Mayor Adler: Okay.

>> Ms. Pool.

>> Pool: Maybe if our legal staff could answer. Is there a distinction in the fact that, for instance, Austin energy is owned by the city of Austin, we have more authority and control over rate setting, and with the gas utilities, because they're not owned bit city, there's less authority that the city can wield, as far as rates? Is that a correct assessment?

>> Councilmember, Clark Cornwell, assistant city attorney. Austin energy being an owned and controlled municipal utility, correct. You manage that utility. On gas utilities, because they're private companies and under state law, the council acts as basically a trial court when it comes to determining rate matters. So we have original first shot at judging whether or not a rate to be implemented by a gas company is just a reasonable -- just and reasonable under the law. The railroad commission has appellate authority over those decisions and they really do drive the boat on precedent, on whether rates are just and reasonable, and state law. Although we have original jurisdiction to relating on behalf of the customers the rates of the gas customers, we're very limited in what we can do.

[10:28:11 PM]

Not only by appellate precedent, but by state law that limit our grip --

>> Pool: But the regulatory structure that exists in this state, right?

>> Correct.

>> Mayor Adler: Any further discussion on this item? 50. Someone move -- do we have a motion? Miss kitchen moves. It was already moved because we -- closing public hearing on this item. Any further discussion on item 50. All in favor of 50 please raise your hands. Those opposed. How did you vote? All right, so it's the same vote as the last one. We just had. 6-3 -- no. 7-3 with one off the dais. That gets us to item 51. Item 51 is conducting a public hearing regarding annexation.

>> Good evening, mayor, council. Virginia Collier from the planning and zoning department. This is the

second of two public hearings for this les Burleson annexation area. Council is not scheduled to take action today. Following the hearings I'll be back with an ordinance June 11. In accordance with the city's annexation policies described in the imagine Austin comprehensive plan, the city should an exareas to protect and expand the city tax base, more efficiently deliver municipal services such as public safety and utilities and coordinate the extension of these services to developing areas such as this les Burleson area. This area includes approximately 13.2 acres in southern Travis county, approximately 870 feet east of the intervention of Burleson road and Smith school road, this area is currently in the city's etj adjacent to the full purpose jurisdiction on the north and west sides of the tract.

[10:30:22 PM]

Area is currently undeveloped and owner is requesting full purpose annexation. City would provide -- again auto you'll please close the public hearing this evening I'll return with an ordinance on June 11 for your consideration and that would conclude this annexation process. Thank you.

>> Pool: I'll make that motion and lows the public hearing.

>> Mayor Adler: It's been moved to adopt -- do we close the public hearing.

>> Close the public hearing.

>> Mayor Adler: We close the public hearing. Is there a second to that? Ms. Tovo.

>> Zimmerman: Is there one -- there's one property owner for the 13.2 acres?

>> That's correct.

>> Zimmerman: Okay, thank you.

>> Mayor Adler: Any further discussion on this item? So there's no action to be taken? We just move on.

>> Just close the public hearing. That's all.

>> Mayor Adler: There's a move to close public hearing. Seconded. All in favor please raise your hand. Those opposed. It is unanimous on the dais. With Ms. Garza off. That concludes all the business we have in front of us.

>> The clerk would like us -- the clerk would like to us say for the record that the briefing on 44 has been withdrawn.

>> Mayor Adler: The briefing on 44 has been withdrawn. And we're done. He's trying stall. He was going for more time.

[12:12:54 AM]

>> And, finally, our Einstein project, incorporation with the UT ray marshal center, ic squared, Austin independent school district and other nonprofits focused on science, technology, engineering and math or stem, we want to explore programs that focus on ramping up stem education for kids and schools and particularly kids and poverty. We will investigate the top 20 technology professions of the future and we will identify curriculum strategies that can influence the past to these careers. The goal will be to develop the next generation of einsteins right here in Austin. So that they can compete for high-paying tech jobs, not only here in Austin, but around the world. Finally, our last program that council approved in 2012 is our family business loan program. We provide low-interest loans for small businesses so that they can grow. And because of the funding that we're using from hud, the section 108 funds, it requires

the employment of a low to modally income individuals. This is a picture of sawyer and company, an original Austin business for nearly 66 years before closing in 2012. Steven shellcross was a frequent customer and chef and he has fully renovated the cite, restoring it to it had some of its original character and has created 19 jobs. These are just a few of the programs that the economic development department is focused on to affect workforce development. Now I'll turn it over to Alan Miller.
>> Thank you.

[12:14:55 AM]

Good morning, mayor pro tem, councilmembers. Thank you for having me hear this morning to share with you a little bit about the landscape for workforce development in our community. I won't go into a lot of details about workforce solutions. I've left an information packet up there with plenty of reading material. Suffice to say we are about connecting people and jobs. We are a nonprofit organization, but we are a creation of state and federal legislation that puts us in a position of being the administrative entity responsible for federal and state workforce programs and funds that are allocated to this area. That includes a budget of about 30-plus million dollars annually, everything from child care subsidies, early childhood development, occupational training and job placement. Let me begin by -- I want to give a little bit of background to set context for things, talk a little bit about what workforce development is. It's been called an economic development resource, something that supports economic growth and prosperity. It's been called an anti poverty avoiding. Poverty -- strategy. It is also a human resource strategy. It's about helping people acquire the distills they need to be competitive in the workplace. And also enables their employers to be competitive in the global economy. When we talk about the workforce development system, it's not just one thing. It is many. It's a network of educational institutions, of training providers and related service providers. It goes back to the pre-k system, getting children ready to learn by the time they enter school, the k-12 system, our colleges and units, Austin community college being one of the preeminent players in that game. It's about our community-based and faith-based organizations and nonprofits.

[12:16:59 AM]

It's the capital ideas, the skill point alliances, goodwills, literary coalition, foundation communities and dozens of others. It's about our labor unions and their apprenticeship programs, about employer-sponsored training and it's about government-sponsored training programs. If you will, I want you to visualize the workforce system as each of those components being an arrow inside a circle and all of those arrows are going in different directions. That's really the state of our workforce development system. If we look outside of the k-12, colleges and universities, the --public educational system and concentrate on the adult workforce development portion, there are three primary funding sources. There's the city of Austin, about five to \$6 million annually of investment there. There's Travis county, about 1.5 to \$2 million annually and workforce solutions capital area, as I mentioned with a budget of about \$30 million annually. One of the things that is noticeable about this is that while we've got three primary funding sources feeding into help grow and contribute to the workforce development system, while there's a degree of coordination amongst the three, there's no

unified planning process. We work together tangentially but not in a way which would help us promote a better workforce system. We have three separate procurement processes. We have three separate contracting administration and monitoring processes, different definitions and outcomes, no joint planning. The result is we lose opportunity to leverage resources as we have duplication of 70 is and we have increased administrative costs.

[12:19:01 AM]

When we talk about workforce development I want to highlight for you some of the basic workforce services encompassed within that, and they range from adult basic education, which includes English as a second language, ged preparation, and literacy skills training, computer literacy, occupational training, training whether it's short-term of three months or under or six months to a year that leads to a certificate, to an industry-recognized credential to an associate's degree, to a bachelor's degree. It's work experience, which includes internships and job shadowing, life skills training, work readiness training, which deals with basic work habits and ethics, job search skill training, resume writing, interviewing skills, entrepreneurial skills training, labor market information and career awareness, includes career counseling and planning, case management and supportive services. Workforce development system is in a constant state of flux it's changing just like the labor market that we work within changes. The labor market is undergoing a continuous structural transformation. It's influenced by globalization, new innovations, changing technologies, consumer demand and changing demographics. The result of that transformation which makes our job a little bit difficult is that we're seeing the creation of new jobs, not static, not a constant level, if unfortunately, playing field of jobs, but new jobs being created all the time, new jobs with new skill requirements, higher levels of education and skills, we're seeing job obsolescence at a more frequent case, jobs part of the landscape 15 to 20 years ago are no longer here today in many cases.

[12:21:08 AM]

That transformation poses part of the big problem for the workforce development system. A number of challenges we face we've got job growth, which is great. Our economy is booming. We're one of the hottest economies in the country, but that growth has been disproportionate. It's large at the top and large at the bottom. That's not to say -- and there's -- my friend here, Brian Kelsey has been quick to point out we don't have a shortage of middle skill jobs. We don't. They're not growing as fast a rate as the upper and lower ends about about 30-plus percent overall of the jobs in our economy are what we can classify as middle skill jobs, jobs that require some level of education and training beyond high school, but less than a bachelor's degree. That's a little bit less than the national average, but, again, our economy here is based on technology. So it's not surprising. The fact is we have more job openings right now than there are people looking and available for work, but why they're not being filled is in large part due to skills cap. That skills cap translates into several different levels. Most notably, what people read about the most is at the top, software developers, for example, people who -- companies who require individuals with a bachelor's degree plus three years experience, those are in very support supply. That's not just here. That's a national phenomenon. We also have skills gap for those

unemployed and those who are underemployed, who are unable to attach themselves to the labor market both in terms of middle skill and upper skill jobs. But it's even those with a college degree that face skills gap because the degrees don't often match what the labor in the market -- labor and market demands are. I call myself a recovering liberal arts major. When you have a bachelor's degree in psychology and anthropology it doesn't align exactly to the local labor market.

[12:23:17 AM]

So the skills gaps are everywhere, not just within one concentration but they do lead to this growing disparity we have amongst those lagging behind in education and skills, employment, and income. Population growth is part of our challenge. We have a number of individuals that have been coming to our community who have the skills to take the high level, high skilled, high paying jobs but we're also having an increased number of people coming to our community who don't have the skills. They're competing with our local residents who are already behind the curve, who are being pushed further to the margins, exacerbating the problems of unemployment and underemployment. We have infrastructure needs dealing with capacity, classrooms, labs, the need for accelerated learning, work-based learning, and different scheduling that will accommodate the needs of those who are working. And resources. There's simply not enough financial resources to meet the demand. Scalability is also a factor in this. There are many programs out there, programs and agencies that are doing great work. You'll hear from some of them this morning. But we're dealing with small -- relatively small Numbers. We're dealing with dozens, 50, maybe a hundred. We need to be talking hundreds and how's. With the growth occurring in our community and the disparity Gap that's growing, we are not making headway. We are falling further and further behind. I do want to talk about a couple of promising practices that are undergoing -- we're undergoing here in our community. Two that have received both state and national attention. As I mentioned, there are dozens of programs and agencies out there doing good things. Part of the problem is that they're not all well-connected, they're not aligned, and they're not as coordinated as they need to be and they are in small Numbers.

[12:25:24 AM]

The two I want to focus on this morning, the first one is work, workforce education readiness continuum that happens to be funded by the city of Austin. Workforce solutions serves as the backbone entity for this endeavor but it includes 11 community organizations that offer a continuum of services to the most vulnerable in our community, individuals whose earnings put them at or below 200% of poverty and come from some of our targeted population groups with the disabled, veterans, ex-offenders and others. These 11 agencies offering a continuum of services that include adult basic education, all the way through occupational training and job place include a set of common standards, common definitions, common database, and share transition and navigational services to help people navigate through a complex web of services and agencies. It offers individuals a no-wrong-door approach to accessing service with over 38 points of entry throughout the community. So no matter which door, which of the 11 partners they walk into, they'll be able to find the necessary assistance and a way of which they can easily access toast systems. The common application and whether that agency has the

services they need or not, they can easily connect them and make sure they arrive on the doorstep of where they need to go. The other project is Austin opportunity youth collaborative, aoic. Again, workforce solutions serves answer a backbone for this, but this is a collaborative that involves over two dozen youth-serving agencies in our community, working together to better serve opportunity youth. That is youth who are ages 16 to 24 who are not connected to either education or work.

[12:27:25 AM]

There's an estimated 11,000 opportunity youth in our community at the present time. This collaboratative is working to better coordinate existing services, to eliminate barriers and sometimes those are policy barriers that prevent youth from re-entering education or the workplace and about better leveraging resources. We started out with a grant from the aspen institute, one of only a couple dozens institutes throughout the United States invited to apply. We received an implementation grant from them, as well as some financial assistance from the such foundation. It's not about a program, it's not about, is that it's not about direct services. Instead, it is about community organizations that are already in place coming together and finding ways of which they can better collaborate and work together to better serve youth, to take the existing resources we already have, to leverage them and to expand them and, again, to better serve the youth in our community. Well, I outlined a number of challenges that we have with our workforce system. There's also some great opportunities that exist. And these are the opportunities where the city and the county, through your policy making, in partnership with workforce solutions, the chambers of commerce, our economic development organizations, and the business community, opportunities to come together, to work ways which we can better align and integrate services, do joint unified planning, focus on needed services and outcomes over agencies and programs, obtain greater employer involvement, both in terms of identifying needs that they may have, providing internships for students, teachers, counselors, provide mentoring and sharing their expertise in the classroom.

[12:29:39 AM]

It's about looking to establish a local, sustainable force for funding for workforce development without having to depend upon the feds or the state, of which we're not going to see any new money on those fronts. It's about increased coordination between economic development, workforce development, and education. It's about economic development policies that support local hiring and training and middle skill job growth. And it's about joining us in a campaign to create awareness and knowledge of the local labor market and its opportunities. That to me represents one of the biggest issues we face in our community. People simply don't know enough about the local labor market to take advantage of the opportunities that are there. What you don't know can hurt you in terms of the decisions that you make. Whether it's a high school student mapping out their 4-year aggression plan or an adult trying to re-enter the workforce. If you don't know what the opportunities are that are out there that pay well, provide benefits, and provide career growth opportunities, then those are shut out to you. And we can gather -- together launch a campaign that can change that picture and I think eventually change the status of a number of individuals in our community for the better. And that's what I can do in about 15

minutes on something that would normally take a full day. But thank you for your time this morning.

>> Tovo: We appreciate it very much. Thank you. Thanks to both of you. I'd like to move on to our next speakers and so if there are questions for these two, if we could hold them until we have heard from the entire percentage wasn't to make sure since we did start on time that we're allowing the speakers who might need to leave at the end of their committed time the possibility to do that. So let's begin. Our next panel of four speakers are going to address the question of how we can address the growing disparities in education and employment and income in our -- both within the city of Austin and within the region.

[12:31:45 AM]

And so our first speaker is Brian Kelsey, who is the founder of civic analytics, an economic research planning and consulting firm. Thank you and welcome, Mr. Kelsey. You'll be about five to seven minutes.

>> Thank you. Good morning. Other than having four employees and paid summer interns, I don't really have any information about programs to share with you, and so what I thought I would contribute in my five minutes here is to try to offer some information that can kind of unpack this issue of why workforce development is so important and try to relate it to some other important issues that have been on the minds of a lot of people lately, including economic segregation, affordability and other things along these lines. So I just want to create some context here, and then as you hear from the rest of the speakers about programs, you know, hopefully we can all start to understand and appreciate the connection between having this capacity in the region and hopefully scaling up as needed and some of the other outcomes we might be able to anticipate. So I've got two slides or three slides, I think, and I think I can do this in five minutes. We all know how dramatic the change has been. We are number one in job growth since 2000, number two in population growth since 2000, and three in overall economic growth since 2000. We hear lots of things about this tail of two cities narrative, we talk about the lack of middle wage jobs. People who have lived in Austin a long time will tell you you can pick your head up and see the tremendous amount of wealths that have been created but it just sort of feels more unequal than it ever has before. And, you know, that's really kind of caught my attention lately, why, given all the job growth, you know, given the fact we have performed so well, why does it feel more unequal to people here?

[12:33:45 AM]

So what you're looking at here is a graph of per capita income and average wage per job back to the '60s all the way through 2013 and it's indexed to the U.S. Metropolitan average, that line at 100. This is Austin's performance relative to the U.S. Metropolitan average. You can see historically we have trailed. People tell you, well, lower cost of living here, a lot of reasons for this. Then during the tech boom in the '90s we were able to get over that hump a little bit and start creating wealth here, broadly shared wealth, mind you, at the average per capita levels relative to the U.S., and ever since that dot com bus we've been muddling along where we haven't seen much gain. The question is why, given all this growth, aren't we seeing broader and more substantial gains in the labor market? If you look at the wages, 2003, adjusted for inflation, average wage was about \$51,000. Fast forward to 2013, \$52,000, 1.6% inflation adjusted growth. Compare that to how home prices changed, 15% rate adjusted for

inflation in nominal terms 45% and you can quickly start to understand why wages really aren't keeping up with the rising cost of housing here. Now, why is this important? Well, it's important because of how it translates to inequality in the labor market across a couple of other education dimensions. This is average wage, adjust for inflation from 1996 through 2013. Broken down by educational attainment. You can see back in the mid '90s -- we've always had inequality in the labor market, higher education, higher training, this always had a return on investment in the labor market. Go back to '96 and look at the gap with workers with a bachelor's degree and better and workers with a high school diploma.

[12:35:46 AM]

The gap was much narrower in the mid-90s than today. Today bachelor's degree or better make 94,000 on average, high school 48,000 on average and you can see how things changed so dramatically in the '90s because of the return to higher education during that kind of technology-fueled boom, some of the stuff Alan was referring to. In inflation-adjusted terms, nobody has gained much over the past ten years on average, but you can see we haven't really done much to shrink that gap. So the reason Austin really kind of feels more unequal than it used to is because it is. Even the most well-educated down to say the high school diploma level that gap was much smaller back in the '90s than it was today. If you break it down by race ethnicity, you can start to understand how this ties into things like gentrification, economic segregation, you know, it becomes pretty clear when you look at that time this way. This is the same graph, average wage, by race ethnicity from '96 to 2013, all adjusted for inflation and you can see the gaps, sort who has gained, who has not gained so much kind of through the boom in the '90s up until today. So we have very large gaps in the labor market now, and if we don't do a better job closing them through post secondary education this inequality is going to continue.

>> Tovo: Thank you very much, Mr. Kelsey, for that information.

>> Zimmerman: Sorry.

>> Tovo: Again, we're going to hold questions primarily to the end but if you've got a burning one.

>> Zimmerman: Quickly, wasn't you to come back to this. You were talking about the gaps but I see the trend, everybody is going down.

>> That's correct.

>> Zimmerman: To me that's more important than the gap but you can talk about that later.

>> Sure.

>> Tovo: Great, thank you. Our next speaker is Betty Voits, executive director of capital area council of governments. Thank you for being with us.

[12:37:48 AM]

>> I didn't bring slides. Everybody else said they weren't doing slides so I didn't do them. Anyway, it's just a one-pager. Let me start by saying that the difference between what I'm going to mention and everybody else is because we are -- we're required to do regional economic development. So the economic development administration funded by -- through the U.S. Department of Commerce gives us funding to do a regional economic development plan. We do five-year plan and we finished our 2015 to 2020 draft. It hasn't been adopted yet and turned into Eda but we're getting close. From a regional

perspective I want to mention a few things. First of all, we know and it's not new that about 50% of the folks in the region and particularly the msa counties cross the county line for a job. So a huge portion of the workforce in Travis county is actually people who live someplace else. That growth is continuing exponentially. The corridor counties are growing as well as walled well and bastrop, burnet is eventually going to start growing more and so even more why we have to look at things from a regional perspective. On the handout that you have, I don't know if you have it in front of you --

>> Tovo: We've got it.

>> Couple things we want to mention. There's -- you've -- you're hearing some of this already. There's stark divide in educational attainment. If you look at the bottom of the first sheet we show you there are jobs that don't require bachelor degree, just need an associate's degree and we just don't have a way of telling how much progress we're making in that area. Our new economic development plan focuses on four things, workforce, entrepreneurship, place make, and resiliency. And I want to just mention real quickly the four things we have in here related to workforce. First of all, and this begins into more of an assessment of where we are and what we're doing because we don't actually do worker training programs.

[12:39:56 AM]

Identify and address gaps in educational support to match students to appropriate programs and improve educational outcomes, increase the capacity of programs that credential students for career skills at the secondary and post secondary level. These are our strategies and plan. Coordinate between educational institutions in the private sector to align post secondary program offerings and expand accessibility and, fourth, support the sharing and distribution of labor market and career knowledge to inform residents of our region about the decisions they make. We were excited at cap cog because a lot of our sick development focus is data and policy driven because we don't deliver programs when house bill five passed last session and it basically said, you know, the ISDs need to look at what career opportunities are going to be available and try to develop some curriculum that helps kids go into that instead of aiming at a four-year degree. I can tell you with a southern in college that would have helped him an awful lot. We don't know how well that's working. We can't figure out exactly what the ISDs are using we called the sponsor of the bill, it's too early for any success stories or any progress on what's happening with that. But it's an example of the things that we need to be doing to make sure that every kid that gets out of high school doesn't quit there because they can't go to a four-year college degree. We decided for those goals I mentioned that we wanted some metrics. And this is a starting point. It doesn't have to be the end all. But, again, we plan for the ten county capcog area, five county msa really skews what we're doing. We don't have too much impact when it comes all the way out to fayette county. What we're going to try and measure, the increase in the share of population age 25 plus that have a post secondary degree.

[12:42:00 AM]

Anything after high school. Increase the share of households in our counties that earn an annual income of more than 35,000. Now we know the median household income is higher than that, probably runs

into the 40s for much of our counties but there's a whole lot of folks that dip below that 35,000 mark so we want to figure out what to do about that. We want to increase the number of vocational certificates awarded by regions post secondary institutions and last increase the share of jobs added to the regional economy that pay average of \$20 or more per hour. Part of what we're looking at is not just the workforce issue but resiliency. To Brian's point we're looking at population growth, population growth is going to continue. Population growth in the minority community is going to increase at a higher rate and the hispanic the highest, which are traditionally the community that we want to make sure get into something besides high school. The recommendations that I would make.

[Buzzer sounding]

>> -- Are simply three. First of all, the economic development policies that all of our communities use need to incentivize some of these things. I know that -- I don't know that y'all have got the Einstein project going yet but the fact that Austin is doing that and is going to provide some incentives to companies for apprenticeships is good. We need more incentives to companies that our cities and counties are giving for those kind of things to make sure that companies are creating better jobs with benefits. I watched, you know, the whole region and I see cities giving benefits to companies that don't even offer health benefits to their employees. That's outrageous. And it's going to take some discussion among the elected officials to start talking about good policy. We know that there's a lot of things going on out there as far as adult education, apprenticeships, there's a lot of job training going on that's good, ACC is doing a great job.

[12:44:07 AM]

We have somebody from ACC and tsrc on our economic development board, we have both of the workforce board directors, Alan and James [indiscernible] On there. We spend a lot of time talking about this. To Alan's point there's a lot going on out there but we really don't know where the gaps are. We know we need more resources but we don't know exactly how much. We really don't have a good idea of how to fill the gaps because we don't even know where they are. Finally, for us, it's all about doing things regionally. I think there's a lot of great planning that gets done for city of Austin, Travis county, but when you have 50% of the folks getting jobs by driving here or driving across another county line, we're going to have to look at what we call a broader labor shed, which really covers the five-county msa and beyond. I'll stop there.

>> Tovo: Great, thank you. Councilmember Houston.

>> Houston: Could you tell me what tsrc is?

>> Yes, councilmember it's Texas state technical college and they're statewide. The one that's in our region is in hudc.

>> Tovo: Thank you. Our next speaker is Mike mitchly from the Austin community college and he is the vice president of instruction.

>> Great, thank you.

>> Tovo: Welcome, Mr. Mitchly.

>> Thank you for inviting me. So Austin community college is regional in scope. We have a service area -- Austin community --

>> Tovo: If you would tap that button there.

>> Good is now okay. So for the third time, laving, so we are regional in scope, we have about a 7,000 square mile service area which includes all our part of eight counties. We have 11 campuses and we have about 40,000 credit students at any given time in the semester. And in the neighborhood of probably 15 to 20,000 additional annual of non-accredited continuing education, adult education students.

[12:46:13 AM]

So fairly large institution. So it was interesting listening to my colleagues, listening to Alan and Betty, because really a lot of their priorities are our priorities as well, and I'll come back to that towards the end of my five minutes. But to jump right into it, so, you know, the skill set, there's been a lot of discussion at the national level and regional level about the skills gap for a while now and usually when you look at that -- this is true nationally and frankly true here also, most jump directly to the technical distills. If you pull CEOs and ask them what is the skills gap, a lot of those folks say it's technical skills, generally it is it-related skills, technology skills, those things. If you look at their responses, they also talk a lot about nontechnical skills as part of the skills gap. What you have are two things that are affecting a lot of the populations that I think we're discussing this morning. One is the lack of technical skills and one is the lack of those skills -- basic skills, like math, for instance, which limits you if you can't do math you're not going into the advanced technical middle skill jobs. Just not going to happen. Management leadership skills, supervisory skills, employability skills, some people call them emotional skills, persistent self-discipline, self-awareness and many of the surveys those skills rank equally with the technical skills. I think that matters as we begin to look at how we attack this problem. I want to run through some of the specific things that ACC is doing to address some of these issues and I'll come back to, again, at the end what we think some of the things that we could do together to enhance those efforts would be. So one of the things that we've done, we've developed the first phase of the old highland mall and hopefully you've been out there, visited that. If not you should, it's about 200,000 square feet. One of the things we did and really the center piece of that is what we were seeing with our students who came to us is in the neighborhood of 40 and up to 50% of those students were simply not ready to do any sort of college-level math courses.

[12:48:21 AM]

Again, if you can't do math you're not going to do technology. If you can't do technology you're not going to do a lot of the jobs we're looking to try to put these folks in. So we created 600 plus station computer lab there, which is really -- which is interesting in and of itself, but what we actually did is changed the entire curriculum for math in that. So the students actually work through computer mediated competency math modules with a professor in the room helping them. It's our -- our results have -- we're only one semester in so it's a little bit difficult to tell, but the results coming back from that actually are quite good. We've cut the withdrawal rate to about a third what have it was before, and the success rated for students coming into that is in the high 80s, pretty phenomenal given that in the traditional developmental math sequence if you enter that at the lowest level maybe one in ten will finish a math course. Pretty phenomenal what we're doing. It was kind of interesting I was giving a little

talk over there in the building just in sort of the -- we have a large room and it's right by the lab, but it's outside it, and I was talking a group from lone star college, leadership academy, and the students can hear you because you're out in the hallways, it's a large room. After I finished one of the students came up and telling me how much he

[12:50:57 AM]

>> Wire looking at Austin residents who enrolled in one time in college, generally -- is that time?

>> Tovo: You're welcome to take another minute or two if you need it.

>> Let me wrap up. I'll start the other initiatives. There's a list of those. Most folks at the table are aware of those, but so a couple of things that were brought up earlier that I think are important. One is the lack of knowledge about the available opportunities across broad spectrums of the population. If you look at declared majors who come to us, probably in the neighborhood of 70% are transfer students, only about 10,000 out of the 40,000 students are actually declaring technical programs and so -- and many of those are in nursing. So I think that that's important to raise awareness. And then of course the partnership such as the one we have with capital idea to provide support services to those folks who simply won't succeed without them. I think the city has a wide array of rousers at its disposal and they're primarily but not totally financial. One of the resources you have is to be a convener and help us to work together and do joint planning. I think our recommendation asline with Betty's and.

>> Tovo: Thank you very much. Our next speaker kwee LAN Teo yam who is vice president of talent development & acquisition for the Austin chamber of commerce. Thank you for being with us.

>> Thank you, council, for allowing me to share with you our chambers work on regional workforce issues. At the chamber we have invested heavily in programs and research in public education and developing a stronger local talent pipeline and I'd like to give you a quick overview of the programs that we have to help me not just short-term but long-term hiring needs in our region. So this very first chart that you're looking at right now, this is a report that the chamber generates monthly, which shows the available job postings in our region, and as you can see, we have about 18% of all job openings are in computer or math occupations, which is mostly tech jobs.

[12:53:17 AM]

The it sector has seen a growth compared to the same time last year. We have about 700 more job openings and that's approximately 10% more than we did last year. So we shared this report with the regional public school districts, the counselors, the superintendents, to help give them a much cleaner and clearer picture about what our regional job needs are. And if you look at the chart you will see that we currently have about 7400 it jobs and about -- that's about 18%, and it's followed by office and administrative support, so it's related jobs in health care. I'm going to quickly run through a couple of the company relocations and expansions that the chamber has been keeping track of the past three months, and you can see that the majority of these companies are going to be somewhat tech-related. And that's for February, and that's in January. Here is an overview of the central Texas computer science degrees that have been awarded, so back in 2009-2010 time period we had about 743 regionally. That number has gone up to 1,293. That's the most recent number that I have in terms of the computer

science degrees that we have earned in our region, and this is the number that comes from approximately 16 institutions around Austin -- in and around Austin. As many folks here have already mentioned most of the in demand hard skills that are -- hard skills shown on a lot of our job postings will be predominantly it skills and that's because they're actually comprised of -- they comprise a larger portion of the pie of jobs available. In demand certifications are mostly going to be health care-related. And on both charts you see that there has been a positive -- quite a large number of positive increase for both tech skills and health care certifications.

[12:55:30 AM]

Here are the top 15 job openings and hiring difficult that companies or employees have in our region. On the top of the list would be registered nurses by software developers, marketing managers and web developers. Quite a few of these jobs actually do demand that the candidate have some form of post-secondary degree and experience, some don't. But for example, retail salesperson, you don't need -- you generally need less than a high school or some short-term on-the-job training to be eligible for those jobs but those jobs are also very easily replaceable. As you can see the hiring difficulty scale on that is a 10. So going on to the long-term programs that we have at the chamber we have a five county education partnership. And we've been working with the public school districts in the five county area and 12 of those school districts are part of the student futures project which is a collaborative effort with the ray Marshall center. What we do is track high school students four years after graduation to see if they want to work or, you know, do they go to college and what do they do in college. The purpose is improve the feedback and policy and propaganda alignment for Texas I.S.D.S we also have 11 schools participating in the education progress reports, which the academic performance of each school district tracked in line with the community's expectations. The chamber also finds the council portal pilot, which is given to regional public school districts that would aggregate apply Texas, fafsa, and ti student level data which would give counselors a realtime tool to more effectively transition students into post-secondary education. So what that tool does is basically tell you if a student actually has filled in a financial form and where they are in that process.

[12:57:36 AM]

So here is the Austin msa path to college. About 90% of Austin msa seniors say they're going to college --
>> Tovo: Feel free to take some more time if you need it.
>> 84% actually apply via apply Texas. 84% took the sat or acs, 64% of our regional students in our regions are actually college ready and 62% have completed the financial aid this year -- sorry, last year, and about 60% of all students actually directly enroll in college fall after graduation. The chamber's goal is to achieve a regional 70% direct to college enrollment rate. And this is where we're at on college application rate by campus. So apply Texas is actually a form that would actually show you -- it's a centralized mean for both Texas and non-texas student to apply to post-eakd area institutions we have - secondary institutions in Texas. We are at 84% right now and that shows that the number of students that are interested in pursuing their post-secondary education here in the state of Texas. So the chamber worked to improve its social media push to help get students and families to apply for financial

aid, and the reason why is because the odds for a student goes up if they apply for fafsa. Students who have filed have an 80% chance of actually moving on to post-secondary education, so this year we did the acl wrist band contest. C3 had ten \$1,000 scholarships to financial status attendees. This number here would be the increase in the first time fafsa application.

[12:59:36 AM]

So since inception we have moved from about 5500 first time flyers in public school districts to 11,500. The goal is to have 12,000 students file for financial aid for the first time in 2015, but the data has not been released yet but we can share that with you. About 80% of first time filers go on to pursue post-secondary education, and most of the jobs that you have heard in our region actually are in some form of post-secondary education so that's the reason why we have directed quite a bit of our resources in this. The college application rate by campus is -- regionally it's 62% for the class of 2014 and we should have the 2015 data sometime later part of this year. This change is the financial impact of what financial aid Saturdays does for our region. When we first started in 2006 the financial impact was slightly over 15 million, now it's close to \$122 million for 2015. So we -- generally the chamber has about 30 events each February and March, and -- in the public school districts high schools, to help students and their families complete and submit their financial aid forms. And the good news on that one is direct to college enrollment rate has been steady despite state and national decline. Thank you.

>> Tovo: Well, thank you very much, and I know we'll have probably lots of questions for all of you who have spoken, but we're going to move on to our two business representatives. The first of whom is Gerardo Interiano. Please correct my pronunciation, from Google.

>> Thank you for having us. We really appreciate the opportunity.

>> I appreciate you being here.

>> Thank you.

[1:01:37 AM]

>> So I'm going to take a little different angle when it comes to workforce development. I'm going to talk about middle schools. The information that's been laid out we talked about computer science education and here's the Numbers in Texas. So there's 45,000 open computing jobs in Texas yet there's only 3600 computer science graduates. Texas is actually in a pretty interesting position in the sense that we are one of 25 states where the students can count computer science credit towards high school graduation, and we're the only state in the nation that now requires high schools to offer computer science to all students. To give you an idea what this means from an economic perspective, this is national Numbers, so there's 1.4 million computing jobs, only 104,000 computing science graduates, that's a \$500 billion opportunity across the nation. So the question that we always get is why, and I think it's twofold. One, it's -- sometimes the teachers -- the school districts don't have the teachers prepared to be teaching these courses and the other is that the students may not realize they're interested in and exposed to these careers. So we're working on both of those fronts. On the teacher side we actually just gave a grant and we're working with AISD to create a teacher professional development program where teachers will be trained on professional science curriculum, then they'll go back to their schools, develop

a Co cohort and trip teachers. On the student front we have cs first, that's club-based. We've been working closely with means and Garcia on essentially expanding this program here in Texas. It's our first city in Texas that we're looking at. Means has become the first all girls school across the nation to have adopted this with Google, where every girl at means will be part of acs first club. We're also working with the Ann Richards school. I mentioned aid. You know, part of it for us is how do we -- how do we create a more diverse work source.

[1:03:38 AM]

17% of computer science grads are girls, we're working with the girl scouts. They have a coder patch, three different levels and the girls are out there coding and working in these careers -- working in these skills to try to further develop that. The other aspect that we focus on is entrepreneurship. Austin was selected as one of three cities across the nation to have an entrepreneur in residence, that we're funding and here in Austin they're housed at capital factory, so it's an entrepreneur that was selected here out of the community whose sole job for the next two years will be to develop curriculum and to develop programs to promote diversity within entrepreneurship. We think that these two things go hand in hand and the opportunities that were shown by all of the previous speakers there are really enormous and there's a big chance for us to start early with these kids. We believe that we should start with middle school, that if we're starting to think about this once they're in high school, once they're in college it's too late. But we can get these kids interested in these careers at middle school and get them to understand that computer science is not just, you know, getting in front of a computer and coding -- and coding. It's everywhere in what they see. It's in fashion, it's in sports, it's in cars. I mean, these skills really can be seen all throughout our workforce today. So we're excited to be partnering with aid. We appreciate the work the council is doing already and I'll keep my remarks short and end them on that. Thank you for having us.

>> Tovo: Thank you very much. And our next speaker on this topic is Patrick terry of perry burgers. Welcome.

>> Thank you, thank you for having me. What I thought I'd do is briefly tell you a little bit about what we do as a business and have done for the last ten years, and then at the very end maybe make just a tiny suggestion so when my wave Kathie and I started P terry's ten years ago the idea was to be a different type of business and in many ways I guess we've achieved that, but one of the things that has been most important to us is that when we -- we opened we took a belief that the people that worked for us would be the single most important part of our business, and if we treated them -- we treated them right, we felt like they would treat the customer right, and that circle would begin.

[1:06:03 AM]

And so it was a mentality that started from the very beginning. We've always paid over minimum wage, and although that's a nice thing, it's short-lived if there isn't a belief that this person can one day run your restaurant. And so of the 10 restaurants that we have, all ten started working at a -- the lowest possible position that we have, because everyone starts at that position. So the manager at the north Lamar location has been with me for almost ten years. He was 19 years old. He does not have a diploma.

He does not have a ged, but he runs a a store that does quite a bit of sales, and because of the mentality that says we walk in with our eyes open and a feeling that you will not be held back for any reason, as long as you do your job you can move forward. And so what we've done is grown to 350 employees, and we -- we try, because of the business that we're in, we try and do things different to maintain our staff. You know, we become known, and I didn't realize it at the time, we've always given noninterest loans to our employees. And I didn't see what the big deal was, because first of all, interest rates in the bank are a joke, right? I mean, you're not making any money in the bank, so you're not losing anything by loaning it out. But what we found out is that we can change someone's life, or at least help them continue if a car breaks down or they're looking for an apartment and they need first month's rent and a deposit. It was a very simple thing in my mind, and I think what it did is establish us with the employees that we had a family here.

[1:08:12 AM]

We do other things, we make birthday cakes and we give year-end bonuses, and I can pass myself on the back all day long for this, but the truth is it's just good business. And there are a lot 6 employers 6 -- a lot of employers in this town that do good things, and this is a great place to work in so many regards. The question was posed to me, I was looking at this as everyone was speaking, and I know that the people on this panel work really hard and try and make a difference, and it seemed to me that the way - the question that was posed to me was how to strengthen business involvement in the workforce development, and I would -- I would suggest that perhaps this partnership would go both directions, that the workforce development would reach out to businesses and businesses would respond, and perhaps there could be a checklist that would give you a grade within that workforce development that says these guys take care of their employees. There is a potential for growth. This is not a dead-end job flipping hamburgers. This is where you could go. And when the checklist is completed, if there are ten things on the checklist and you hit ten out of ten, then the workforce development now knows that this employer scores a perfect 10. And now can go to people look looking for work and say, well, these are the guys that score tens. These are the guys that score 9s, these are the guys that score 8s. And as a result a relationship might be formed. I don't know. I was just thinking about it while I was sitting here. That's really all I got.

[1:10:13 AM]

Thank you.

>> Tovo: Interesting idea. Thank you, Mr. Terry, and thank you for sharing a little bit about how your business operates with regard to this issue. Well, council, we are --

>> (Indiscernible).

>> Tovo: I believe that we have heard from our panel, and so we have about ten minutes reserved for questions. Have I missed someone? Okay, we'll hear from our other voices here in a minute, but we do have -- we have 10 to 15 minutes for questions, so thank you for allowing me to hear from all the speakers first and hold our questions to now. And so I'll recognize council member Zimmerman.

>> Zimmerman: Mr. Terry -- sorry. Is your sister-in-law Trisha terry?

>> It is.

>> Zimmerman: All right. So we are related. Trisha Terry's mother was my mom's first cousin. I thought that was you.

>> Tovo: Small world.

>> Absolutely.

>> Zimmerman: The question I wanted to ask, from listening to your comments, it sounds a little bit like -- I don't think you're doing this intentionally, but you're shooting some holes in the idea that you have to have education, higher education, to be successful.

>> Yeah.

>> Zimmerman: And illustrates it's just not the case. I'd like you to talk for a minute or two about really what's more important for your business is the personal integrity and the character of the individual you hire, their work ethic, their honesty.

>> Yeah, there's no question that -- you know, what I think we do is we give -- we give everyone a chance. So, you know, the people that come to work for us come from all walks of life, and for the most part what you have to do as an employer is establish a trust. And once the trust is established, we work with a lot of hispanics, and -- that have in the past not been treated fairly, not been given a good break. So once that's established you're absolutely right, we're looking for integrity, we're looking for a hard working individual, and from there, you know, the sky is the limit for them.

[1:12:21 AM]

I mean, honestly. , You know, we -- this is not a tech thing, but a manager of a restaurant can make \$65,000 at perry's, and if you don't have a ged, this is for many a chance of a lifetime.

>> Tovo: And I should point out if any of our panelists would like to respond as well or would like to comment on or elaborate you're welcome to do that. Mr. Kelsey?

>> I would, if it's okay. There are definitely businesses like Mr. Terry's that provide these wonderful opportunities here, where it is true that you may not need a completed post-secondary degree to make a living wage here, but they are by far the exception and not the rule. And so I think to say that -- it's one thing to say yes, it's possible to get into a living wage opportunity without a completed post-secondary degree, but to assume that that's true for everybody, it's a little bit like assuming -- like pointing to the one poor kid from a not very good school who goes to Harvard and saying, look, she did it so why can't everybody do it? And so this notion that -- I just want to be very careful about suggesting that we don't - really shouldn't focus so much on completed post-secondary degrees here, because I think if you look at the statistics, you may find that's not going to be the most viable path forward to a lot of people.

>> I'm not going to disagree.

>> Can I add one thing?

>> Yes.

>> Zimmerman: I went to an urban school in San Antonio. A lot of people with tremendous athletic talent and I always wanted to be an athlete but didn't have the physical talent. You can have put a million dollars into me to try to develop me into a guy that could run the 100-yard dash in 4 seconds but it wouldn't happen.

[1:14:30 AM]

And when I got into school and found out how hard mechanical engineering was, there are a lot of people you could pour a million dollars into them and they would learn how to write kernel device writer in linux. There's no acknowledgment of the god given talent that we all have, whether it's athletic or individual. We've all got talents, and secondly, our personal character, our integrity, our honesty, our commitment to work with each other is more important than the book education. And I don't see that acknowledged. And I'm afraid we're going to spend tens of millions and hundreds of millions more money and we're going to wind up right where we are today. That's my concern.

>> Tovo: Yes, Ms. Woods.

>> I think that we're not in disagreement with that. I think that the gap is that for so long -- and like I said before, my son is in college now. You either graduate from high school and went to a four-year college or you didn't. And, you know, when I was going through school there was shop, there was, you know, voc ed, there was all these other things, and for a few years now we've been saying we need the other things. So it doesn't necessarily mean that you have to go on to a structured degree, if we could have apprenticeship programs, interns, places where businesses like pterry's says, hey, we have an internal training program, you start at this level but you have an opportunity to move up, that would be wonderful. But we just can't have this you either go on from high school to a four-year degree or, gee, we don't know what to do with you, and that's kind of what we're saying in our planning effort.

>> Tovo: Council member Houston, did you have a question?

>> Houston: Thank you. I thought I did but I think I've forgotten which slide it was on.

[1:16:31 AM]

But let me try to get back to that. Someone had a slide. This is what happens when --

>> Tovo: I know.

>> Houston: Someone had a slide that talked about -- that showed -- maybe it was the chamber of commerce that talked about the number of people who applied for financial aid or -- or --

>> I had two slides. Actually I had more than two slides, but one was the college application rate by campus --

>> Houston: That was one.

>> And I also had a financial aid -- quarter 1 first-time filings in our region.

>> Houston: Let's start with the first one about college applications by campus, please. The Numbers were very -- I mean, the letters are very small on there, but I think I can remember that Lyndon baines Johnson high school was up near the average, and I'm wondering, is that just for the people in the magnet program or is that the whole campus?

>> We actually break up the magnet program, I believe.

>> Tovo: I wonder -- I hate to interrupt, but I wonder if we're able to bring up that slide.

>> (Indiscernible).

>> Tovo: That would be great.

>> Here it is. So -- which one is it again?

>> Houston: Lyndon baines Johns Johnson --

>> You're referring to the whole magnet program?

>> Houston: I'm asking, because it's so close to the 84%, I'm asking is that the magnet program only or is that the total school?

>> I'm still trying to see. Okay. So that one for Ibj, it is about -- close to 90%. For the magnet program it is actually slightly over 70%.

[1:18:34 AM]

So we do separate out magnet programs.

>> Houston: Show me where the magnet program --

>> It is on to the third one, the third bar from the left. Do you see that?

>> Houston: Okay. Okay, I see it.

>> So apply Texas is actually the intent to go to post-secondary education in Texas. There may be students from the high school who may say I want to go somewhere else.

>> Houston: Well, it's just interesting if that is the magnet program because they're lower than the people in the neighborhood school program, which I would think would be reverse. So that's -- that's interesting.

>> The student portal actually does help the public school districts identify which students have or have not done the apply Texas filings as well, so one district that I can highlight that is at 100%, which is Hutto high school, which is a fairly small district. They do have -- they've actually done a pretty good job, together with del valle high school and Crockett high school in 2014, making sure that their students fill up the state apply Texas form.

>> Houston: Thank you so much.

>> Tovo: Am I understanding that data correctly, that the chart that we're looking at here are the application rates to Texas schools?

>> Post-secondary institutions.

>> Tovo: I see. So that shows us, then, that the students in the magnet program are applying to Texas schools at a lower rate than the students in the non-magnet program on that campus?

-- On that particular campus?

>> Correct.

>> Tovo: Is that your understanding, council member Houston?

>> Houston: Yes, but it's still an unusually high amount.

>> Tovo: It is, yeah, yeah. Thank you for sharing that. Council member troxclair.

[1:20:34 AM]

>> Troxclair: Mr. Miller, I was hoping that you could expand a little bit on your comments from earlier where you talked about that there was room for improvement when it comes to coordination not only between the city and the county but then also within the workforce education readiness continuum and the programs that try to have a one-stop shop forward for development resources. Can you -- I want to make sure that I'm clearly understanding where there is room for improvement, how we can address those gaps.

>> I'll give you one example. The city's last procurement process for -- for funding for social services, there was funding made available for workforce development, but it was done out of two different departments. Capital idea and skillpoint alliance were funded out of the economic development department's budget. The other portion of funds for workforce development came out of procurement done by the health and human service agency -- or department. So we had two departments within the city of Austin with two separate procurement processes for the same thing. It's akin -- I'll do an analogy. It's -- many companies across the United States, even large ones, when you go to talk to them about internships or about workforce development within their company, there's no go-to place. There's no go-to office. It's usually somebody who was trying to find a job for a neighbor's son or daughter or their niece or nephew, or it was something that got tacked on to six other jobs that they're doing. So there's no -- where do you go in the city of Austin for the workforce development department? There isn't one. There's some over here and some over here. That lends itself to a little bit of disconnect.

[1:22:36 AM]

Workforce solutions, we do coordinate with both the city's economic development department and health & human services, but the degree and level of that could be enhanced tremendously through joint planning. There is no one single workforce development plan for our region. And without that one - one plan that brings focus and alignment to the entire system, we're losing a lot of opportunities. That was the point I was trying to make there. We also duplicate costs. We serve -- it's interesting that when we come to the funding aspects of things, the city, the county and workforce solutions, all three of us are funding the same agencies for the same services. We could do a much better job if we were doing that collaboratively and under some level of joint planning and joint processes instead of spending 15% on administration, if we could do it for 10, that's 5% additional that could be put back into serving individuals. Those are missed opportunities, and things that we could positively work on that really don't result in the cost of any money. It's just a better way of doing business.

>> Troxclair: Okay, and so you're suggesting that there is just more coordination. You're not really suggesting all the workforce development be under one specific department or that we consolidate outside the city, that we consolidate workforce development, just that there needs to be more joint meetings and joint planning?

>> Not necessarily meetings. I think there's value in consolidating all of it into one place. Why have two over here that are workforce development, tied to economic development, but the others aren't? Strategically that doesn't make any sense. It's a poor business model. The right-hand doesn't always know what the left hand is doing and too many opportunities can be missed because we are not working together. I would argue for the consolidation, personally.

[1:24:38 AM]

>> Troxclair: Okay. Thank you.

>> Tovo: Council member Garza.

>> Garza: I just wanted to comment and say that I strongly disagree with the notion that every child's natural talent is going to come shining through and they're going to be successful in their own way. That

would assume that there's an equal playing field, which I think we can all agree that there's definitely not that. So I just want to thank you for the work that you do and the jobs that you provide. It's essential to our community, especially my district. So thank you for being here. I have to leave. I mentor a little boy in my district, I've done it for three years, the ceiling foundation, usually their children have one parent incarcerated and I can guarantee you he's facing an uphill battle that other children in this community are doing. So thank you for the work that you do.

>> Tovo: Council member troxclair.

>> Troxclair: I think our city staff had a response.

>> Yes, thank you, council member troxclair. Currently our workforce development, we work hand in hand with health & human services which is currently managing the workforce contracts this year, but next year they will be moving over to economic development, and we are planning on developing a strategy that looks at a comprehensive look at workforce within the city. So just wanted to let you know that. And we've worked hand in hand on the procurement.

>> Okay, thank you.

>> Tovo: Council member Houston.

>> Houston: I just want to thank Mr. Terry for being here today and for presenting a model that I'm excited about, one that says we look and care for our people, and if we care about the people, then the people will care for our customers, the customers will keep coming back because they feel respected and valued. And then the business model I think is sound. And I really appreciate you sharing it with us. Of course I wish there were more of you there in different kinds of business opportunities that had that same kind of vision.

[1:26:39 AM]

Thank you.

>> Tovo: Council member Gallo.

>> Gallo: Thank you to all for being here. I do have a question of the city staff person. You know, as we hear about local schools, particularly underperforming schools that are at risk of being closed, is there any dialogue going on right now to perhaps jointly use some of those schools as workforce development area -- I mean, potential places to hold classes or, you know, do things that -- it just seems like that would be such a great use of the schools to be able to keep them open and to continue with schools but also have other functions too.

>> Yes, thank you, council member. Currently one of our new tools is definitely called the Einstein project, and I may ask my staff, David Colligan, to come up and do a great job if I don't. But we are focusing on science technology and engineering and math education, and we will be seeking professionals to go out and not only mentor students but again train teachers within those fields to help encourage students who may not otherwise think that those areas are for them, to produce our own group of einsteins for the future so that they may be able to fulfill those jobs.

>> Gallo: But my question wasn't as much about the program as it was being able to determine locations for programs like that that could also utilize the under-enrolled schools to be able to have a facility but also be able to keep the schools operational.

>> Yes, we will be looking at all areas of possibilities.

>> Gallo: Okay, thank you.

>> Tovo: And council member Gallo, and it looks like Mr. Kelsey has a question -- or a comment as well. I wanted to say that using facilities -- using our school facilities jointly and in collaboration with the city has been a long-term -- a long-term goal of the joint subcommittee of aid, the Travis county and the city of Austin, and I believe while there are some schools that may be offering classes to parents and others in the community at the schools, kind of systematizing that and figuring out how we might work together has been a -- has certainly Ben a priority of -- been a priority of mine and one of joint collaboration as well.

[1:28:57 AM]

But in particular I think it could be a very successful strategy for some of our under-enrolled schools. Council member Renteria and then Mr. Kelsey again.

>> Renteria: I would hear this -- I heard this report on the capital idea, and they're saying that ce -- \$1.5 million, and we got 80 (indiscernible) Graduates from there, which kind of adds up to about \$18,000 a year, but what kind of degrees are they getting?

>> If I could ask either Stephanie or the representative from capital idea to come up and speak to their success rate, because it is a great rate.

>> Thank you, I'm Steve Jacobs, executive director of capital idea. I'm here for my colleague, you'll hear in a few minutes. It takes 3 1/2 years average for someone to go from someone needing basic math to a two-year degree. The two-year degrees are in high demand, high stem occupations. Nursing are the health -- other health care occupations, information technology occupations and the trades.

>> Renteria: So these are basically two-year -- they're two-year programs?

>> Yes, those are two-year programs, two-year college degrees.

>> How come they're not using ACC?

>> We are using ACC. We don't do any training ourselves. What we're doing is supporting students who are going through ACC with the emotional, psychological and logistical support they need to get that two-year degree.

>> Renteria: And that's what -- are you also helping pay for the ACC through the 18,000 per student --

[1:30:58 AM]

>> Tuition fees, books, other expenses like tools and kwru678s that come along, vaccinations, credentialing. Second major expense is crild care because -- child care because we're dealing with folks who are average 30 years old, they have kids. The biggest barrier to getting an education is finding a place they can crust and afford.

>> Renteria: Thank you.

>> Tovo: Thank you. Thank you, Mr. Jacob. Mr. Kelsey?

>> This will be quick. Back to the previous comment about what the city could do, looking at some of these schools, is to look into dual enrollment, which is just another way of saying as you're going through high school, models to be able to secure both a -- or a -- sort of a six-month or one year certificate all the way up to an associate's degree. If we could reach students, get them to that level

before they leave high school, on average the difference between a high school diploma and associate's degree is about \$500 a month. So if we're thinking about this as a way to kind of keep up with the rising cost of living, city staff sitting down with aid, sig down with Mike at ACC and others, if inked wave a wand we would have dual at every high school. That would go a long way to preparing the population for living wage jobs.

>> Tovo: Mr. Midgley?

>> A quick comment on that. We have two long-standing -- pretty long-standing, three years in early college high schools, we have eight in all across our district. So we have those. We're adding a third one, Travis, and we're beginning to move into the technical areas for both Ibj Regan and some of the other high schools. We bring other folks to do it while they're still in high school. And in may, next month, we will have our first group, small group, but our first group of students who will receive their associate degree around two weeks before they actually receive their high school diploma because our graduation comes earlier. So that's really good. And we also do dual credit, not early college high schools, which goes all the way down to the 9th grade, so it starts arresting early, but we do dual credit in almost all the high schools within our district.

[1:33:02 AM]

Thank you.

>> Tovo: Thank you very much for adding that information, 34r Kelsey and Mr. Mij -- and Mr. Midgley. As I was driving to work today I heard a report actually about Travis high school become an early college readiness program. So it's very, very timely and thank you also to Mr. Jacobs for bringing up the discussion of child care. We're not really talking about it directly in this session but it is such a critical economic development issue for our workforce development and economic development because, of course, if people don't have the ability to have quality child care for their children, it's very difficult for them to secure and maintain a job. So thank you for addressing that. We're now turning to the discussion of our -- the section of our presentation that has other voices, and our first one will be from skillpoint alliance, and that will be Jason boies. Nangs thanks for being with us. You have three minutes.

>> Thanks for having me. My name is Jason boies and I'm the -- I work for skillpoint alliance. I'm the of two programs at skillpoint alliance, the first of which, in no particular order, is the velocity program, stem based for juniors and seniors in high school. But what I'm going to talk to you primarily about is the other program that I manage, which I've actually been working with my entire two years at skill point, which is the gateway program, the gateway program is funded in part with city of Austin money. A few things about it. It's a quick -- it's four to eight weeks full-time equipment course, primarily for adults. We have classes in certified nurses aide, electrical plumbing, hvac, machine operator, like metalworking, mills and lathes. We're talking about adding a welding class because basically every day I hear why don't you have a welding class? So that's something we're talking about right now. We served over 275 people in central Texas last year. Primarily in our standard four to eight-week full-time adult classes. We have an 85% completion rate. 80 employment rate in the field, within 45 days after graduation.

[1:35:04 AM]

We do, like I said, primarily work with the adults but we also have classes at Williamson and Travis county juvenile detention centers as well as we have a partnership with the warrior transition brigade up at fort hood and we actually started this morning our fifth class with them. That's an electrical class. Next year we have 24 total classes planned, serving over 300, and we've actually already serve over a hundred this year. So that's quick, you know, three minutes is a short amount of time for me to talk about my program when I could probably stand here and talk to you until you all left and went to lunch on me. But a couple points that I wanted to make from what I've heard today. Like I mentioned a couple times, these -- the gateway program is 40 hours full-time commitment for four to eight weeks depending on the class, and as we heard earlier, that 51% of our underutilized are completely unemployed, and so this model really seems to work for them, because they are unemployed, their days are open, and it's to best utilize the time that they happen to have for whatever reason at that time. So they can get in, you know, work 40 hours a week. It's a serious commitment, but they get all the skills, and basically we look at any program that's about a year long, a prenticeship and cram it into this. It best utilizes their time. Another point is I want to reemphasize, it's mentioned a couple times, but the importance of professional development. Our classes offer around 20 hours of professional development. We regularly do brain trusts with industry leaders in the central Texas area, just to get a feel for what training needs are out there, and I'm just amazed at the answer that we get the most of what can we train applicants in for you, and I wonder if Mr. Terry would agree with this. We get so many people come in and saying, we just need people that will show up, that come to work, they show up to their interview on time and they'll be here the next day and we can count on them.

[1:37:11 AM]

So I think that that might also go back a little bit to council member Zimmerman's comment on natural talent. Maybe their natural talent isn't the same for everyone, but I think that getting -- touching back on the professional development aspect of finding jobs is kind of improving their talent, skills. We can teach the hard skills all day, but jokingly, what one industry leader told me, they can be the best machinist that I've ever seen but if they show up 15 minutes late to their interview in a Mickey mouse t-shirt they won't get the job. So we really try to emphasize that. Sorry I ran over. Thanks for your time.

>> Tovo: No worries. Thank you very much. Questions, colleagues? Okay. Our next speaker is Eva Rios Ileverino from capital idea. Thank you.

>> Hi, I think we should be looking at a picture of our students. I just wanted to put a face to the individuals we've been talking about today. Our students come to us making around \$14,000 a year, and when they complete the degree, their associate's degree, most of them, they will end up making around \$40,000 a year. So we're very proud of that investment that we're making thanks to all of you. So today we've been talking about the importance of getting their education, and I wanted to also share some of the return on investment after our students are done with their -- their training. So the ray Marshall center, conducted a study that showed that -- the taxpayers receive 501% return on their investment over 20 years, so once again, we're very proud of this investment and making sure that our students are job-ready once they complete their education. However, not everything has been working as planned because we're facing some challenges with employers, especially in the it area. And that's where in terms of giving you all some areas to work with us is where we're looking for your support for it

internships.

[1:39:18 AM]

We're calling them earn and learn opportunities. We are facing that the employers are asking our students when they go for job interviews for experience, and unfortunately they're not willing to give them this entry level opportunities so they can start earning that experience. So we are finding -- working on finding other mechanisms and as we're working with ACC that's one of the areas I mentioned on this project of career expressway, it internships will be there at the focus. And what we're looking at is, at least on the capital idea end, looking at earning opportunities for about ten students a semester for 20 hours for 16 weeks, which is the length of the semesters and asking for a \$12 an hour pay. This will be working hopefully with you, the city of Austin, and other entities, so that we can provide this experience for them so they can continue to be as successful as they have been. Any questions?

>> Tovo: Thank you. Thank you very much for that information. I have a quick question. Did you say that your students on average begin making \$14,000 a --

>> With 40,000.

>> Tovo: 40,000. That's quite a return on the investment. Thank you.

>> Yes, thanks.

>> Tovo: Okay. Welcome, Mr. Rip Rowan from the literacy coalition of central Texas.

>> Good morning. Thank you. So the literacy coalition is comprised of about 30 nonprofits across our region, and we're serving folks at the very low end of the continuum education alley. Educationally. That's the folk area for us and I feel like Austin deserves a pat on the back and thanks for the position we're in. Having worked nationally in a lot of different areas, particularly in workforce development, Austin is ahead of the curve. There's obviously still a lot of work to do. I think a couple of points that I would like to make to add on to the comments that have been added here this morning is that we need to meet people where they are, and I think we really have to have programming and services that meet people both geographically and educationally but culturally as well in a relevant way, and the bias and politics and the institutional issues that get in the way of those investments are something that don't serve our community well.

[1:41:40 AM]

I think we -- there's a lot of talk of data, and I think that's exactly the right way to go, but I think having a real clear focus on the expected outcomes and what the yield of those investments should be is something that needs to be part of the expectation coming into the process up front and what that has across our community. For literacy, there are almost 300,000 people in our region that either don't have a ged or don't read well enough to be able to fill out a job application. And the scariest part of that in my book at least is that that number is going to double in the next 20 years, so the demographic is shooting up at a tremendous rate. And at exactly the same moment in time there are less than 5% of the seat we need to serve folks in those programs today for those learners. So I think that's the extent of the additional comments I'd like to add here. I think that the capabilities of the people that are not being

served are just tremendous. The opportunity of the individuals and the potential and productivity that we're losing as a community, as an economy, it has a huge drain on us, and I think over time if we don't serve a third of our population more effectively we're not going to have a sustainable community in a way that we enjoy today. Thank you.

>> Tovo: Thank you very much for sharing that, and that does bring us right back around to Mr. Kelsey's graph of the widening economic gap in this area, in this region. So thank you for adding those additional comments. And our final speaker of the day is Mr. Richard Halpin.

>> Thank you.

>> Tovo: From first unitarian universalist church of Austin.

>> Thank you, mayor pro tem. My name is Richard Halpin and I'm going to focus my remarks today on youth employment, specifically at risk, at promise minority and nonminority young adults. As a taxpayer in Austin I saw austinites go through the very costly jail and welfare revolving door, so I went to the private sector, city council, workforce solutions, and others and said, what -- let's see what we can do together.

[1:43:47 AM]

Over the years our team and others in this room have created respectful, comprehensive, one-stop award-winning workforce model programs. National and local award-winning American youthworks where I worked is still going strong. Most importantly, thousands of Austin and Travis county young adults have learned and earned a pathway out of poverty for themselves, their families and the taxpayer. You are aware of the double digit youth unemployment Numbers with African American and Latino Numbers off the charts. These Numbers of 11,000 or more people are time bombs. A big portion include poor health, malnourished, no skills, school dropout, criminal justice, welfare involved youth. 60% or more of our prison inmates are school dropouts. The cost, Columbia university study tells us that each one of these young people are going to cost the taxpayer \$51,000 apiece annually. We can turn this around. In the last minute I have here are some recommendations. One, create and promote a citywide vision that all young adults, especially those who have been excluded, are invited into successful one-stop workforce training solutions. Two, invite successful workforce training programs, people here in this table in this room, outstanding employers and others to be partners in an all-day solutions shurep, overseen here by four council members who care the most about Austin's young -- excluded young adults, and bring in excluded young adults. Increase our city workforce -- our city youth workforce training investment to \$10 million. Leverage that \$10 million with new -- with a new \$10 million in social investment bonds, and use that as matched to the program's -- to the program money raised by award-winning programs you've heard from today and others.

[1:45:54 AM]

Increase the mayor's youth council employment fair to once a quarter and get the word out on the street that all young people are welcome. Direct all your city departments to make innovative youth employment to meet their own workforce training needs a meaningful part of each department's next year's proposed budget to you. Id smarter, city workforce initiatives, like a uniform nonpolice hospitality

and parking enforcement division, our water leakage finding and mapping and infrastructure improvement core, and expanded conservation disaster readiness core. These are just examples. Make this a priority. Leverage our taxpayer investment. Save the lives and improve our economy. Then use the return on investment to lower all of our taxes. Thank you very much.

>> Tovo: Thank you, Mr. Halpin. Thank you for those specific recommendations. Colleagues, do we have any last questions for our panelists? We've heard a great deal of information today. Council member Houston?

>> Houston: Well, I just wanted to ask Mr. Terry, it's just fascinating to me and I'm not even a relative, so it's --

[laughter] Talk to me just a minute about your return on your investment. Are you losing money?

>> No, ma'am. I wouldn't keep building restaurants. You know, I'm very careful, as I said earlier, to not pat myself on the back. This is a business. We make -- we make a good living. But I'm always surprised, you know, that -- there's a book called fast food nation that came out, and my wife happened to read it just before we opened. And it talked about a lot of things that the fast food industry does. And not a lot of them are good. One of the most intriguing was that so many businesses in my segment intentionally lay people off after a six-month period so they don't have to give them a raise.

[1:48:06 AM]

And I found that totally counterintuitive, it made no sense. If I have an employee that, as Mr. Zimmerman said earlier, is a decent human being with high standards, a smile, offered good customer service, why would I want to lose that employee? Why? So, we took what I thought was a really simple approach. You know, this isn't brain surgery. And, you know, to your point earlier -- and yours as well. You know, you would want people to get the most out of their life. You would want people to get a good education and learn a good skill, and have a good living. And in a perfect world, that would happen with everyone. But there are people that for whatever reason, you know, some of my employees, you know, education wasn't important in their families. No one had been educated before. So it didn't even enter their spectrum. And so, what we do is we offer -- we're very proud of our diversity. The people that work at our restaurants come from all walks of life, and many of them are part-time students that go to UT, that will go on to make great salaries. As a result of what they're doing now, they're improving their skills. It's a step for some. It's a lifetime for others. And it's simply a way that we never thought it was all that difficult or intriguing. It just seemed like -- common sense.

>> Tovo: Councilmember pool.

>> Pool: I appreciate what Mr. Terry is talking about with the training of employees. And it's surprising to me that that would be an approach that some employers would have, to lay off their employees after six months to avoid giving them a raise.

[1:50:09 AM]

They're not looking at the amount of money that they have invested in that person over time with the training, and the knowledge base that has grown, and the community that they're building. So, I think that's something we should talk about even more. The amount of investment that employers put into

their employees in bringing them up to speed on issues that matter in the work place. It doesn't matter if it's an engineering job or a first job for a high school junior doing a cash register or waiting on a table. I just want to make a point, workforce commission does really good work in our community. Younger days in the '80s, I worked for what was called the employment commission. It's now called the Texas workforce commission. But one of the precepts and concepts that I internalized from my work there was the importance of training on the job and having safety nets for those employees that happen to lose their job through no fault of their own. And the workforce agencies that are out in the different communities now are an outgrowth of the work from the state legislature, and what was then called the employment commission. So, I really appreciate the work that you are doing. Sometimes, it's the only door these open -- that's open, even if it's only a crack, to folks looking for a fresh beginning or a way to support a family they may have, or just themselves. I don't think we can underestimate the importance of employment and full employment in our community. So, thank you for all that you do.

>> Tovo: Councilmember Renteria.

>> Renteria: I want to thank everyone. Growing up and graduating from Austin high school, I was very fortunate to get a job at education service center region 13. They not only encouraged you to continue your education, they paid your tuition, which was a great help to me.

[1:52:16 AM]

It was just called the university of Texas night school, before we -- citizens of Austin realized that the value of having these kind of technical and schools like ACC. And the voters voted to create Austin community college. So we are very fortunate to have that, because I was able to continue my education there, and get in a career, which I worked for 35 years. And retired. But, through that skill, I learned to give back to the community, which got me on this city council. I was one of the very lucky ones. And, you know, I just have -- gave my whole -- to charity, because these are the kind of employs that not only give back to the community by, you know, helping and giving livable wages to the lower income, but, you know, it's also giving them opportunities to earn income, giving them job skills, at the same time while they're pursuing their education. So, it's these kind of employers that, you know, the payback is just great. I mean, I'm a homeowner. I was able to get my kids to be homeowners, and taxpayers, with good jobs. So, I really have, you know -- I mean, to me, you know, it's given back. Because the city of Austin, and the organizations and nonprofits that helped me out so much. So, I want to give out a big thanks to all of you.

>> Tovo: Thank you. And I want to just extend our thanks on behalf of the whole city council for being here today and providing us with a sense of all the city resources, and the resources in the community. And from our case studies to kind of the larger-scale data that Mr. Kelsey and the -- presented.

[1:54:28 AM]

Were the mayor here, he would say, a deep dive would take more time than we could devote. Thank you for providing a thorough snapshot of these important issues. And with that, I will adjourn this special called meeting of the Austin city council. And the time is 12:05.

