

City Council Special Called Meeting Transcript –6/24/2015

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Mayor Adler: We have a

[9:41:49 AM]

quorum. We're going to go ahead and get started. [Multiple voices]. I'm going to call to order the city council meeting here this morning, work session and special called meeting. June 23rd, 2015. The time is 9:40, Austin city hall, 301 west second street, we're in the boards and commission room. [Music playing in background]. We don't have a lot of the really good stuff that normally happens at these meetings, we don't have any music. [Laughter]. We don't have any proclamations. We don't have any invocations. We're just getting straight into business. Right off the bat. [Laughter]. This is a special called meeting, the purpose was to -- to help us handle some things kind of that we wanted to make sure we handled before we left for July. And we put some things on this agenda that we thought we would be able to handle pretty quickly. If we have things on this agenda that look like they can't be handled pretty quickly, I would imagine there's going to be a motion to send them to committee or otherwise dispense with them. With the exception of the drainage fee, which was the original purpose for us to have this

was to discuss that issue. Good morning. So we're going to work our way through this -- through this agenda. We have three speakers to speak on some items and we have items that have been pulled.

[9:43:54 AM]

We're going to talk about the deferred agreement plan, so that's something that's going to be pulled, I'm not sure we're there today. But we'll see. Items number 2 and 3 have been pulled by Gallo. Item no. 4 will stay on consent. But 5, 6, 7 and 8 have been pulled. Nine would stay on consent. 10 has been pulled. 11 and 12 and 13, I don't know if we have any appointments today. I think those are being handled on Thursday. >> I'm sorry, Mr. Mayor, you said 11, 12 and 13 but you didn't say consent or pulled. >> Mayor Adler: Consent. >> What was that? >> Mayor Adler: 11, 12, 13 are on consent. I looked at 13, I don't think there are any 13 items today. Appointment items, I think those are being handled on Thursday. So 13 is withdrawn. 14 has been pulled. And then 15, 16, and 17 are on consent. 18 has been pulled to discuss. That gets us through the consent agenda.

[9:45:54 AM]

[No audio]. Being pulled as well. It's been moved to approve the consent agenda, Ms. Troxclair? >> Troxclair: Well, I have a quick question about item no. 9 that I haven't been able to find any answer to before now. >> Mayor Adler: Okay. Someone here who can answer a question on no. 9 real fast? Why don't you come on up. Quick question? >> Troxclair: My quick question is so I understand that this is the contract issue, I understand that it's a revenue contract for three -- no? Oh, number 7. >> Mayor Adler: Sorry, 7 has been pulled. >> Not 9. >> 9 is okay. 9 about to get approved on consent. Yes. >> Just a question, clarification, no. 2, was that an item that was put on the Austin energy agenda for Thursday morning -- >> Mayor Adler: We're going to get to that in just a second. >> It was pulled? >> Mayor Adler: It was pulled. >> Mayor Adler: Again, what is on consent is item

[9:47:56 AM]

9, 11, 12, 15, 16, 17, those are the items. It's been moved, is there a second to approve? Ms. Houston seconds it. And any objection? All in favor -- >> Zimmerman: Mr. Mayor, I wanted to just read in -- I can go ahead and do that -- electoral vote audio lapse]. >> Mayor Adler: All in favor of the consent agenda raise your hand. Those opposed. Unanimous, voting with Garza and pool off the dais, Zimmerman having read in his votes. That gets us then to the agenda. I would say on this item -- on this calendar is

item no. 20, which is evaluating council appointees -- [lapse in audio] -- We're going to address that on -- [lapse in audio] What that is is just trying to figure out what process we're going to follow and I'll make a proposal on Thursday that we we can talk about that. I just wanted to touch base on that issue before we broke for the break. We don't have to decide anything but we're going to raise that subject and talk about that briefly on Thursday. Mercer, I think, was set for executive session, but I don't know that anybody needs to do that. >> Withdrawn. >> Mayor Adler: That's withdrawn. So 20 and 21 would be withdrawn for today. Okay? That gets us then to the items that have been pulled. Now, the question with respect to item no. 22, that was an Austin energy item. You pulled that -- >> 22. >> Mayor Adler: I'm sorry?

[9:49:57 AM]

I'm number 2. Did I say 22? I'm sorry, item no. 2, Austin energy item, we can either handle that on Thursday if there's no dispute on that, we could dispense with that now. [Lapse in audio] Did you want to talk about that? >> Additional information that we were asking staff to present, there was some concern, I believe this is the one who was concerned about some of the contract items not being included, addendums to the contract and so my understanding was -- [lapse in audio] -- do an action on that and then -- >> Mayor Adler: So let's go ahead, Ms. Gallo has that, Austin energy, let's put off item no. 2 until Thursday and perhaps you can get the answers to those questions ahead of time and maybe that can be handled on consent. Is that something that you can get to Ms. Gallo? >> Mayor, we have that information now, the memo distributed as late backup to you, we can go through that information quickly now if it would please the council or we could wait until Thursday. >> Mayor Adler: I'm not sure that we need to go through it as a council, just get with Ms. Gallo and make sure that you have answered her questions. Maybe it just goes that simply. Okay? But we'll pull off -- hold off on item no. 2 until Thursday. >> Pool: Mayor, I apologize -- I'm sorry,. >> Professor: I thought you said the wrong name [multiple voices] >> I was out of the room on a phone call when the vote on -- on consent occurred. So I would like to be registered as voting yes. >> Mayor Adler: All right. The record should reflect that had you been in the room for the consent vote, she would have voted aye and yes.

[9:51:58 AM]

>> Thank you. Mr. Casar. >> Casar: I'm sorry, I may be having trouble with the agenda Numbers. Item no. 2 is that contract management for the chilled water piping. >> Mayor Adler: Yes. >> Casar: What I would lining to do is on all of the contract management items, the real estate services items and the purchasing items, to give whoever pulled them a couple of minutes to explain why and then to call the question on these because we did give these extra days for folks to get their concerns raised and so

what I would really like to do is just if the majority of the council is going to move these, to just go ahead and do it so that we don't continue tasking ourselves with these being postponed and kicked around. [Lapse in audio] Because if the majority of whoever pulled them can give us a short explanation and within a minute or two if we could understand as a large majority of the body that we want to discuss them, we can go ahead and postpone or wait on them, but I just don't -- you know, on some of these items I don't perceive even close -- foresee even close to the majority of the council [lapse in audio] >> Mayor Adler: I pulled out no. 2 from that only because it was Austin energy, but let me go ahead and do what you are doing with respect to the rest of these, item no. 2, that way Ms. Gallo, it's her agenda, my hope is that it gets handled unless you are prepared to let us vote on it -- >> Gallo: Well, it was my impression from the meeting last Thursday was after the citizen communication person came up who was the second bidder, second highest bidder, second lowest bidder, that there were questions from all of the councilmembers about the process and wanting clarification. So I just wanted to make sure it was on the agenda so

[9:53:59 AM]

that those questions could not only be answered to me, but also the other councilmembers, so I would open it up to everyone else for discussion. >> Casar: I would understand that one as a different situation. >> Mayor Adler: We're going to put no. 2 on to Thursday. But I would urge everybody to read their memos and to contact staff if they have any questions prior to Thursday's meeting so that -- so that we don't have to -- to spend time at the Thursday's agenda, which is going to be packed with Austin energy stuff. [Lapse in audio] Get them answeredment that gets us to the next contract management question. Ms. Gallo, you pulled no. 3? Do you want to explain to the council -- >> Gallo: Yes. >> Mayor Adler: What the issue is there that would stop us from voting on it? >> Gallo: What we've been asked to vote on is an amount of \$144,000 to continue with the way-finding system and as we ask additional questions to staff about this, it looked like this was the amount that would complete the -- almost half a million dollars that had been budgeted for just the design phase of this program and when we asked the questions of staff, we had lots of questions, so thank you for your patience with this, about the total project, it appears that the total project, which will end up with getting signs, directional signs in the downtown area, would be \$3 million. And I had a level of discomfort with that, given all of the infrastructure and transportation needs that we are missing throughout the rest of the city and so one of the questions that we asked for

[9:56:01 AM]

staff answers on was it looks like this is funded, intended to be funded completely out of the meter fees and so my -- our question, which I think is answered on the yellow sheet that everyone has received at this point is what other programs can the meter fees be applied to, if not this program? And so I would encourage everyone to read that. We've all talked about the substantial transportation needs that we have throughout the district. I'm at this point pretty uncomfortable with spending a total of \$3 million for directional signs when we all have smart phones or most people have smart phones that can give them G.P.S. Directions to different venue, and I would have questions of if we're directing people to venues and the city is paying money for that are the venue owners -- [lapse in audio] -- Participating in that cost or [lapse in audio] One of which is signal timing and pedestrian beacons that I think we all have heard from our constituents that we need city-wide. So ... >> Mayor Adler: Okay. >> Casar: Mayor, I would like to call the question on the item to see if there's interest in discussing it. >> Mayor Adler: It's been moved to call the question to end debate. Is there a second to the motion to end debate. Ms. Pool? Those in favor of ending debate on the question please raise your hand. >> Tovo: I'm sorry, can I ask a point of information. Do we have speakers signed up to talk about this item? >> Mayor Adler: We do we have one -- let me see. No. >> Tovo: Okay. >> Mayor Adler: No speakers. >> Zimmerman: Point of order Mr. Mayor. The motion is not debatable. Whenever somebody calls a question and a second you go right to a vote. >> Mayor Adler: Correct. >> Zimmerman: That would defeat the purpose if you had a debate -- >> Tovo: I don't think any of us have an interest in

[9:58:02 AM]

foreclosing public comment after -- >> Zimmerman: Sure, sure. >> Mayor Adler: Right. We would have called public comment under the rules. But on the dais, there's been a motion to end debate and go to a vote on this item. It's been seconded. All in favor of ending debate, please raise your hand. Those opposed to ending debate? Three. So that's Gallo, troxclair and Zimmerman. One, two, three, four, five ... Six. 6-3. That's a 2/3rds vote and debate is ended. So we will take a vote on -- is that right? 6 to 3? That's a 2/3rds vote. All in favor of approving the way-finding, item no. 3, please raise your hand. Those opposed? Same vote as the last one. We'll now move on to the next item. >> Mayor, I just have a point of information. When we require a two-thirds vote, is it two-thirds of those present or two-thirds of the 11 member council. >> Mayor Adler: Two-thirds of the vote. It's not a super majority vote. It's two-thirds of those voting. >> Troxclair: I just have one comment. It doesn't need to be responded to. But on this item because we had so many questions about the cost, the fiscal note is \$144,000 right now and then for a total amount not to compete \$463,000. But -- but as councilmember Gallo pointed out through asking questions we've understood that we have spent about \$1.5 million and will spend almost \$3 million. In the future, if it's possible for staff to include the total amount that has been spent on the project and the total amount that we expect to spend in order to keep -- complete that project, I think that might help us a lot with understanding the implications. >> Mayor Adler: I think those are good points. That would be helpful information to have. Thank you. The next item that we

[10:00:04 AM]

>> Mayor Adler: Item number 4 because of late backup. Is there -- now, explain to me, Ms. Morgan, why we needed to pull this one. >> We had to make a change in the ordinance. >> Tovo: Mayor? >> Mayor Adler: Yes. >> Tovo: I'd like the error to reflect my recusal on this item. >> Mayor Adler: Ms. Tovo recuses herself on item number 4. >> Zimmerman: Mr. Mayor, I haven't located -- has it already been handed out here or -- >> Mayor Adler: It's coming out right now. >> Zimmerman: That really is late. Okay, thanks. [Laughter] >> Mayor Adler: This is freshly cooked. >> Zimmerman: Warm. >> Mayor Adler: Okay. >> Ordinance has been amended just to remove the right-of-way, as things are -- vacancy being subject to. It's still subject to public access easements but no longer subject to a dedication of right-of-way. >> Mayor Adler: Yes, Ms. Kitchen. >> Kitchen: So is this a -- I think I'm understanding, but I just want to clarify. Is this a substance change, or is this just a clarification of the language? >> It's a substantive change. >> Kitchen: Has it been agreed to by all parties? >> It has. The reason for the change is that the streets in this development are going to be public access as opposed to being dedicated to public streets. >> Kitchen: Okay. I just ask because we brought this -- you know, this was brought back to council as an agreed-upon item so I wanted to make sure this change we were making was still agreed upon by -- I think we had two different developers that were involved as well as the neighborhood. >> Councilmember, this is always the intent. There was just an error in the communication. >> Kitchen: Okay, thank you.

[10:02:07 AM]

>> Mayor Adler: Is there a motion to approve item number 4? Mr. Zimmerman. >> Zimmerman: I make that motion. >> Mayor Adler: Second? Ms. Pool. Any discussion? All in favor of item number 4, please raise your hand. Those opposed? Everyone voting yes, with Garza and tovo off of the dais. And tovo is recusing herself on this item. Next item that we have is parks and recreation. It's the tennis court issue. >> Zimmerman: Mr. Mayor. >> Mayor Adler: Pulled by Gallo and Zimmerman. >> Zimmerman: Yeah, we pulled this on -- on the resolution we were a little astonished to see on the consent there was a resolution with a blank to be filled in and it's on consent. We said something is wrong with that. >> Mayor Adler: Clearly -- >> It was pulled off by staff last week so they could actually do the presentation about the name to go in, and then it got postponed to this week. It was intended to be that way. Wasn't intended. >> Zimmerman: So it would have been for discussion. It's blank. By definition it would be for discussion. >> Right. So it was pulled off the consent agenda in order to have the discussion. Staff had pulled it off and y'all postponed it to this week. [Lapse in audio] >> Parks and recreation department. So as I am taking a look at the options that are brought forward to council, is that there's -- the reason why there's a blank is because there's actually a choice that council can make. They can rename the facility

the ken mccalster quick start corks, they can rename the the facility after Carol welder and name those courts the Carol welder quick start courts. You can rename the facility another name, or you can defer any action to rename the

[10:04:09 AM]

facility. And as I understand, the parks board, in a recent discussion, is reluctant to choose renaming until we have an opportunity to choose a renaming -- an actual name, until we have an opportunity to take a look at what our ordinance says and what the process is for renaming because they're feeling a little bit of pressure as to the number of renaming item that are coming before the parks board. And so they're deferring that, saying it's really the not a decision that they're excited about making, and so they've deferred it to council. >> Mayor? >> Mayor Adler: Ms. Pool. >> Pool: I remember a few months ago, we had a conversation here about renaming, and council chose to take no action so that the idea did not pass. And intent I think at that time was to take this renaming issue into consultation probably in the open space environment sustainability commission -- committee first and then have a presentation and a recommendation that would come forth to council. I don't think we have gone down that road yet, so what I would suggest is we table this or simply take no action on it, similar to how we handled a previous naming convention request, until staff and council has time to go through what the policy direction we'd like to have on that. Would that work for the parks and rec department? >> That is something that the parks and recreation department certainly finds acceptable. >> It sounds like the board -- >> I believe so, and I think it would be important for us to bring forward the policy discussion, recommendations for policy discussion on how it will work in the future. >> Pool: And I'd be happy to manage that through my

[10:06:10 AM]

committee. >> Mayor Adler: Okay. >> Houston: Mayor, may I ask a question. >> Mayor Adler: Ms. Houston. >> Houston: This has come before us before. >> Pool: This is twice now. >> Houston: I thought our intent was they go back, bring us back a policy, then council could approve. I'm not sure how we keep getting the same information over again. >> Mayor Adler: I -- [lapse in audio] >> Mayor Adler: We'll refer it to -- [lapse in audio] Raise your hand. Those opposed. It's unanimous on the dais. Ms. Garza absent. I'm sorry? Unanimous on the dais, Ms. Garza absent. Thank you. That handles item number 5. That gets us then to the purchasing decisions that we have. The first one of these is item number 6. This is the gap study on Austin energy. Ms. Gallo, does it make sense for this to be picked up at the Austin energy meeting? Or no? >> Gallo: There may be enough interest in -- forward it at this point before you refer it to the committee so I think I would recommend having a discussion first. >> Mayor Adler: Okay.

Is there any -- this was pulled by Mr. Zimmerman. Do you want to explain to us why you pulled this one?
>> Zimmerman: Yes, Mr. Mayor. I wanted to call attention to -- material, a reference to the the [lapse in audio] We

[10:08:12 AM]

were joined by the local cable news biomass plant, and we toured the plant and we were impressed with -- it's pretty much a state of the art facility, but it's not producing any power. And it's costing us over \$50 million a year. One of the reasons this that plant exists -- and it's a terrible, terrible burden for ratepayers. It was justified in part by an earlier climate protection plan. So I'm going to flag anything that I see that has a protection plan in it for something that could be potentially wasteful in a very, very bad decision for ratepayers. >> Pool: Mayor, I have a question, point of order. Are those -- [lapse in audio] To the choice of a gap study? >> Mayor Adler: We're going to let him do that by way of debate here. On this gap study, the intent of which is to take a look at, I think, some of those questions that Mr. Zimmerman just raised, there was -- as we went through this process, this council asked Austin energy to come back with three choices and a recommendation as opposed to just making a recommendation. My -- so you have dutifully followed the question of the council, which is appreciated. So thank you for doing that. My understanding is that any discussion on this would relate to the selection of those three. There's a recommended one. There's also one that's -- a number 2 that has received some support I've seen. And there's some questions about the one versus number 2. And I think if there was a conversation, that's what the conversation would be on. I think that number 1 was rated higher. There was some question about

[10:10:12 AM]

the weight that was given to local companies versus non-local companies. And how that was determined. And some people have looked at it and said that the number 2 is more of the local company, and if it were weighted that way, then the decision would have been different. But that's what the conversation would be on this issue in response to staff bringing back to us three choices, as we had asked them to do that. My question is whether or not we actually want to have that conversation and, if we did, do we want that conversation to happen at the Austin energy committee meeting? Ms. Tovo. >> Tovo: I guess my comment generally about how we run today or whether we defer things [lapse in audio] Staff here prepared to speak to it and members of the public interested in some of these items. To my general preference on all of these items would be not to defer them to Thursday if we can handle them today. >> Mayor Adler: Okay. >> Tovo: In either. >> Mayor Adler: Would I like to hear staff talk about item number 6, relationship of -- numbering one and 2 and how they were

rated, specifically with respect to that local company, which seems to be the issue that's been raised. Ms. Gallo? >> Gallo: May I mention also that our Austin energy agenda is really full already. >> Mayor Adler: Okay. >> Gallo: Not even considering that we have a [lapse in audio] To Austin energy. >> Mayor Adler: Sounds good to me. Can you address that real fast? >> Sure. Mayor, councilmembers, James Scarborough, purchasing. The local preference program, as applied to our [lapse in audio] Is a consistent approach established through purchasing office policy.

[10:12:13 AM]

And we determined locality or local presence based on location of the company our the offerer's headquarters or a branch office as specifically defined where the branch office has to be a established for a certain period of time. In this case both offer number 1 and 2 met the requirements -- excuse me, the requirements [lapse in audio] Ten points or 10% of the total evaluation for local preference. So we don't have a way to differentiate between more or less local. Rather, they receive local points or not. We are able to differentiate between offers when they have partners, whether they be subcontractors or what have you, where the combination of the subcontractors and the prime or the offerer are differentiated, meaning some of them are local, some of them are not. So where you will see some ratings of -- in the case of the 3-place offer a 2 and in the case of the sixth place offer an eight, that would be evidence of a combination offer, where there was some local, some not. In the case much 1 and 2 they were both determined to be local and both received points for local preference. >> Mayor Adler: Is there a motion with respect to item 6? >> I need to interject a second. Item 6 for today you're posted to discuss -- this item because it's our understanding that [lapse in audio] I believe. So on Thursday you can take an action because you're going to develop a plan. Just to be very clear, because that's a tiny bit confusing, there are two meetings on Thursday. One is the Austin energy committee meeting, where you only act as a committee. And then later in the day

[10:14:14 AM]

there's an Austin city council special called meeting that will start at 11:00. >> Mayor Adler: You're saying we can't take action on this now because of the way it was posted? >> Right. Y'all asked to us bring it back for discussion today and take action as a committee on Thursday. So that's what you're able to do. >> Mayor Adler: Yes? >> Gallo: I apologize. It is already on the Austin energy agenda. So I was confused. >> More specific, though, about the nature of the action taken in committee and what that means. >> So the Austin energy committee acts as a committee and makes recommendations to council. I don't have the agenda right in front of me this second, but it's to develop, I believe, recommendations is how it's posted, is the action that you will take as a committee on Thursday. >> Mayor Adler: Is it also

set for the agenda for the council to act on Thursday? I think it's on both. So what happened here was it was just listed here for discussion, and it's for action on both meetings on Thursday. Okay. So we can't take action so let's move on to the next -- any more discussion on this? >> Kitchen: I think it would be useful to have the discussion. >> Mayor Adler: Sorry, let's do it. >> Zimmerman: If I can add. >> Mayor Adler: Yes. >> Zimmerman: The question I have is so we're -- it's proposed here to pay for a study. So my question is, was there a study done prior to the adoption of that biomass plant? Did we have consultants come in, look at the climate protection plan, consultant said it would be a great idea for you, you know, to go into a power purchase agreement for biomass? Did that happen in the past? >> Point of order, mayor? >> Mayor Adler: Ms. Pool. >> Pool: The point of order is that the biomass plant is not a subject of our conversation today, but the councilmember is bringing up the biomass plant. >> Mayor Adler: I'm going to let the debate happen, only because the -- this is a gap study that is asked to address

[10:16:15 AM]

the same kinds of issues, what's prudent for to us do or not prudent to do. So in a broad sense I think that is germane discussion so I'm going to let that happen. >> Pool: Thank you. >> Mayor Adler: Yes. Further discussion on this item? Do you want to answer that question? >> Well, I wasn't at Austin energy when the decision was made for the biomass plant. We can come back to you -- and I think we have with a lot of the analytics that was done for that plant specifically. However, for the resource plant, the climate protection plan approved by the previous council this past December, we spent a whole year with our own analysts. We have eight different engineers and economists, couple of ph.d.s, we have a U plan model, and the consultant we're trying to hire also -- this model is a very complicated model that's been calibrated and [lapse in audio] Look forward and we came one this resource plan that has five recommendations. The five recommendations are to replace decker with a new combined cycle plant, to issue an rfp for up to 600 megawatts of solar, and we do have a schedule in the the resource plan as to how we would acquire the solar up to 2025, to reach 55% renewable, to start the retirement of fpp in [lapse in audio] And start doing root scale storage in our service territory. So it was a very complex analysis that was done, and throughout that analysis we briefed council. And one of the main themes I always try to impart on the previous council and I will on this council, we are really bad at predicting the future, all of us, these consultants too. What's really important is to look at what we expect to happen and then the risk analysis between what happens to scenarios. If we're comfortable with the risk analysis, the downsides and upsides we make a decision

[10:18:16 AM]

collectively as human beings, not as computers, as to what the path forward is. So when council approved this, this plant, the 500-megawatt combined cycle plant, would cost in the order of \$500 million, so they said we'd like another look at it, not just Austin energy. So necessity wanted an independent review. So we went through the selection of consultants in order to do this independent review. That selection was done by cfo to give us some, you know, distance between the shop that actually did the analysis and the shop that's going through the independent review. I'll tell from your experience, all three of these firms can do the work. We're indifferent as to who you choose. I know a couple of them extremely well. Lcg they came in second actual owns U plant. So we're indifferent as to the procurement process. It's a very rigid legal process, and we came out with a recommendation. So it's really up to you as to which firm you want to choose. >> Zimmerman: Okay. But my question bears more to the fact that I'm not convinced that the people on this dais, the people in the city, understand the connection between arbitrary goal of 50 and 55% renewables and what that is cost ratepayers this this study could connect the dots and could say here is the cost, here's the consequence, to this climate protection plan. It says you want to reduce carbon emission, here's the cost of of that. If you were to not do that, you could have more affordable energy rates. Could something like that be included in study so people could understand what the climate plan is costing them? >> That's exactly what this study did and that's exactly what we did. We actually presented all the cost analysis, the risk analysis, we did an affordability analysis. So we presented council, you know, what the case was on this one, economic perspective, cost perspective,

[10:20:19 AM]

and affordability perspective. [Lapse in audio] As well as council, compressing it into three months as sort of an independent review. So all that will be done and presented to you. >> Zimmerman: Okay. Thank you. I appreciate that. >> Mayor Adler: Okay. Further conversation or discussion on this issue? Ms. Kitchen? >> Kitchen: I'm sorry. Could you just tell me again, the -- the the scoring for the local. I know you just said there was not a distinction between them. And that's based on how you do the scoring. But can you tell me again. Is that because a national company may have a local office? Is that what you're saying? >> Correct. Currently our program doesn't differentiate between corporate relationships to the extent that there may be a solely owned subsidiary or what have you [lapse in audio] We would consider that as being local. They may have a corporate rich, but right now the program does not differentiate between companies that do or do not have a corporate relationship. But if they have a headquarters here, then that meets the definition of local. >> Kitchen: Just help me understand what is defined as headquarters. Just an office? >> It's where the preponderance of the administrative of that company occur, the physical address. >> Kitchen: Okay. >> The physical address, not a post office box or what have you. >> Kitchen: All right. Thank you. >> Yes, ma'am. >> Mayor Adler: Thank you very much. The next item we have is item number 7. Mr. Zimmerman, you want to tell us why you pulled item number 7? >> Zimmerman: Thank you, Mr. Mayor. [Lapse in audio] We're doing this, but it we could modify this so that after the five-year term is over that

[10:22:20 AM]

the extension would be year to year and not five years. So it will be five years plus one year options, not five years plus a five year option. >> Mayor Adler: Do you want to explain why you did the contract the way you did it? >> Mayor Adler: The contract right now is a five-year contract with a five-year option. Mr. Zimmerman is asking a question about the option period. I want to know why we did five and five as opposed to to -- >> Zimmerman: Five and then one, one year. >> My name is Jane, assistant director of the wastewater treatment program with Austin water utility. We went with five year. Right now the fields are not in as good a shape as they could be and with five years working with the farmer we can get the hay to a better quality, which would be beneficial. We would be okay with the five one-year extensions as opposed to to a five-year extension onto it. >> Mayor Adler: Ms. Troxclair? >> Troxclair: My question was, I understand that this is a revenue -- we're approving a revenue contract. >> Yes. >> Troxclair: And I appreciate the cross-coordination or the creative thinking of how to use our resources and and land that&all that but is there any cost associated with growing the pecans or hay? >> We do do land application on the fields. Some of that we do with our own internal staff. On occasion we have used a contractor to do that land application. And then we do the the irrigation and the maintain of the irrigation system out there. That's the parts that are done by the staff at the site. >> Troxclair: I'm trying to understand if we're making the -- the revenue contract is, what, \$300,000? And is that over five years or a year? >> For the five years. >> Troxclair: For the five years. So what I'm trying to understand is are we making

[10:24:21 AM]

more than -- is it costing us more than \$300,000 to do this? Are we making money overall our losing money overall? >> We're making money overall. We would be doing the land application and the irrigation anyway because it's the way of managing the products on the site. The growing the hay helps to uptake those nutrients and stuff so that you can then grow another crop to keep managing the nutrient levels in the soils and the ground water there. So we would be doing that part anyway. Without this contract, we would have to have -- probably pay somebody to come in and bail it so this is a better process all around for us. >> Troxclair: Okay, thank you. >> Mayor Adler: Mr. Zimmerman, were you proposing five years with one one-year options after that? >> Zimmerman: I think would I make a motion to amend it to be five years and then one phi-year option with the expectation that each year could be extended, it would be year to year after the five years. That would be my motion. >> Mayor Adler: There's been a motion to change the terms of the contract so that the primary term is five years and then there would be five one-year options thereafter. Is there a second to that motion? Ms. Troxclair seconds that motion. Any discussion or debate on this? >> Pool: Mayor? >> Mayor Adler: Yes,

Ms. Pool? >> Pool: If we have the year to year, then there's the chance that the price may change and the city would earn less money or it would cost us more. Ms. Brazer, are you thinking by having the additional extension be five years as opposed to renewing five times that we would save money? >> I don't know for sure. As we go through [lapse in audio] The agricultural site changes very quickly. We know in working with the farmers they see it as a five

[10:26:22 AM]

to seven year process to improve the fields to get a better quality of hay from that, and they're making a commitment in that. That's why they wanted the longer contract. I think in the five year we can see what we do in the fields and then year to year we will know -- the benefit of the year to year, either side has the option to back out of it. >> Pool: If we do an extension for five years, then there's more predictability for the person we're contracting with, who may have then organized his equipment and his personal business plan to accommodate or know that this is the work that is in front of him for the next five years or ten if it were -- >> That is correct. >> Casar: May I call the question on the amendment? >> Mayor Adler: Okay. Is this a second to the call for the question? Those in favor of ending debate, please raise your hand. Those opposed? Debate has ended. One no vote. Mr. Zimmerman. Those in favor of the amendment please raise your hand. [Lapse in audio] Houston, kitchen, Adler, Zimmerman, troxclair, tovo and Gallo. Those opposed? Ms. Pool, Mr. Renteria. It passes. Any further discussion on the item? Seeing none, nose favor of item number -- those in favor of item 7 as amended, please raise your hand. Those opposed. Unanimous on the dais, Garza gone. Thank you very much. Next item is eight. Laptops anytime. >> Zimmerman: Thank you, Mr. Mayor. Very simple. Just a technical question -- well, first, these things appear to be really expensive. And for that money, the operating systems listed here, unless this is a mistake, they don't include [lapse in audio] So help me understand how all these are unix variants, osx,

[10:28:26 AM]

iOS is the apple app, chrome, that's linux. I don't understand. Seems to be something that's a pretty flexible platform or system, but -- >> Mayor Adler: Okay. Mr. Casar? On these purchasing items? >> Casar: Yes, on these purchasing items I want to call the question on them but would want to give a moment for the people that pulled them to pitch to the council why we should discuss the item. >> Mayor Adler: Okay. So we have -- >> Zimmerman: Then I'll make my pitch to you. >> Casar: I didn't want to call the question before you pitch it. You can pitch it to everybody, not just me. >> Zimmerman: Operating systems, if you're going to do a system for a library that's supposed to be inclusive, you should include the world's biggest operating system within your system. >> Mayor Adler: Ms. Pool? So

let's have a conversation -- Ms. Pool. >> Pool: It sounds like windows is included in the -- on the back of the backup page 2, the graph at the top it, says self-service kiosk system allow for multiple types of computers running various operating systems and that includes windows. To meet a variety of customers' needs. >> Mayor Adler: Okay. I think what Mr. Casar point here on these purchasing items is to a degree to get those questions answered outside to contact staff, and the question is whether or not this is something as a council we want to have considered at this point I think is the gist of what is happening. >> Houston: And mayor? >> Mayor Adler: Yes. >> Houston: I understand that but I think that if we're here, we should not be forced to rush through anything. >> Mayor Adler: Okay. Ms. Pool. >> Pool: I'll move to approve. >> Mayor Adler: We have a motion to cut off debate.

[10:30:26 AM]

Those in favor of ending debate, please raise your hand. In this case it's Casar [lapse in audio] And pool. Those opposed [lapse in audio] By Mr. Zimmerman? >> Windows is included as well as is02 so it supports apple products as well. So we are trying to cover across the board different operating systems and different types of computing devices. >> Mayor Adler: Okay. Is there any further discussion on this item? >> Pool: I'll move approval. >> Mayor Adler: It's been moved approved by Ms. Pool. Is there a second? Mr. Casar. Those in favor please raise your hand. Those opposed? Zimmerman voting no. Garza off the dais. Thank you. Next item that we have is item number 10. Pulled by both Ms. Gallo and Mr. Zimmerman. >> Zimmerman: Mr. Mayor, my purpose for pull was limited to -- I couldn't understand some of the fiscal years that were quoted in the materials. It looks like there was an fy10 and an fy11 with a fiscal year 2010 and 2011. Or do they mean something else in a capital budget? I'm referring to the cip expense detail. It was included in the backup. Current year. It says current year impact. I'm just trying to understand what that means. >> Mayor Adler: Let's see if we can get a quick answer to that question.

[10:32:30 AM]

>> [Off mic] >> Microphone. >> Mayor Adler: Put your microphone on, please. Thank you. >> Jerry [indiscernible]. I'm not sure the answer to that -- typo or whether that was money approved in their cip plan during those years. But that was what was identified to us as the funding source for those comprise funds or that comprise fund. >> Zimmerman: It seems kind of important. >> Mayor Adler: Do you know the answer to that? >> I do. Elaine hart, chief financial officer for the city of Austin. That is the -- the fiscal note is indicating the fund department unit, and the year in which the original appropriation was made in in Austin energy. It appears in the first two listed that they had monies left in their fiscal year '10 budget and they're just using those funds. The capital budget is a multiyear and those appropriations

stay until they are spent. >> Zimmerman: Okay, thank you for that answer. But can you see what my concern would be? Wouldn't that provide an incentive for the departments to inflate capital budgets, knowing that they won't spend it and they can roll it over to many years in the future? >> I don't know why this was not spent. I just know this is the year it was appropriated. >> Zimmerman: Well, if it wasn't -- >> I don't know why it wasn't used in that particular year. >> Zimmerman: If it wasn't spent wouldn't it imply it wasn't needed that year? So it should have been taken off the budget. It just should have been removed, right? You plan for the year. We have a budget year. We don't have perfect knowledge, right, of what's going to happen so we make a budget. If we have money left over, we can say, well, that money

[10:34:31 AM]

needs to go back into our general fund. It's no longer appropriate because the fiscal year is over. >> In the case of capital budgets, they are multiyear budgets so the appropriation will stand until the money is spent. Or utilized for another purpose. >> Mayor Adler: Any further discussion on this issue? Ms. Houston. >> Houston: I just wanted to be clear that a city of this size doesn't run on a year to year kind of budget for capital expenses, right? >> That's correct. >> Houston: So we run on a five-year or ten-year plan? How far out does capital budget go? >> We have a long range strategic plan that is not budgeted. We have a five-year cip plan that guides our spending and our funding sources for the next five years. Typically that -- on the general government side is how you're spending your bond programs. And then we have an annual capital budget, which is where the council actually takes the action to appropriate the monies for the spending and the contract authority that we need. So you have to get the appropriation before you can approve a contract. >> Houston: Okay. Thank you. >> Mayor Adler: Any further discussion on this item? Ms. Gallo? >> Gallo: Thank you. The reason that I brought this up is that I think this -- it says to me the the need -- having a policy discussion, if we could, mayor, get this referred to the appropriate committee. But as a city and a community [lapse in audio] Managing our resources wisely, I look at this lease -- I mean, I look at this information when they finally provided the breakdown on the vehicles and it looks like there are a lot of large tahoes and suburbans being purchased and I would like for the council to look at a policy discussion where by that is not the Normal request, but there has to be justification for the need of a more gas-inefficient, larger

[10:36:38 AM]

weight, big vehicle rather than that be a policy for purchasing. Certainly when they're needed that would be great and if there were vehicles and you need a truck for it, but I just see a really large number of not fuel of efficient vehicles on this list. I look at fleet services. I see code compliance wanting [lapse

in audio] I'd like to see the justification for code compliance needing a truck versus a smaller sedan to be going around town and being fuel conscious. So I would like for this policy discussion to be directed to committee so that the council can come up with a policy to encourage more fuel-efficient purchasing of vehicles for our fleet. >> Mayor Adler: So can you speak to both the timeliness of this request, when this -- the need as well as the general question of whether or not -- what's the justification for the -- >> To address the timeliness issue, this is one of four packages that we sent forward to council every year, this being a light-duty package. We have current quotes on these individual vehicles that are included in this package that will expire soon. We're running up against the end of the model year. If we don't get these orders placed with the vendors very soon, that will push us into the next model year, which would cost more. In order to address your concern about the size of the vehicles, we go through a process, if you will, for every selection that we make. The first thing that we consider in selecting a vehicle to acquire is the operational need of the department. And that gives us the class of vehicle that we need to acquire for -- to fulfill that operational need. We then look at the options that are available within that class to get to the most fuel-efficient, most cost-effective vehicle considering life cycle costs and that takes into account

[10:38:40 AM]

the fuel efficiency of that vehicle, ability to use alternative fuels, et cetera. When you start talking about as an example these tahoes for the police department, they carry a lot of equipment in the back of that, special equipment in the back of that vehicle in addition to the need to haul multiple people in it. So that turns out to be the most cost-efficient vehicle, life-cycle -- life-cycle, cost-efficient vehicle for that application. We consider that on every vehicle we buy. We've gone through that discussion as an example with the code department as to what their need was for a pickup, a truck, as opposed to a compact sedan was, and it appeared to be justified to meet the operational need of that particular application. So the only way I can address that any further perhaps is to invite each of the different departments in here to discuss their particular, you know, application and their need, what their operational need is for that application. But we do go through that consideration on every vehicle that we acquire, trying to get to the most cost-efficient vehicle, most full-efficient vehicle, environmentally friendly vehicle within the class of vehicle we've determined meets the operational need of the department. >> Mayor Adler: Thank you. Ms. Tovo and then Ms. Troxclair. >> Tovo: I think that making sure that our city is purchasing the most sustainable vehicles possible is really an important consideration, and I'm glad that it's part of your decision making as well. I would suggest, since there have been past policy discussions about [lapse in audio] The practice and see whether there are any recommendations they might make. I assume that you probably work pretty closely with the sustainability office.

[10:40:41 AM]

>> We do. As a matter of fact, there -- >> Tovo: In making those decisions. >> They're directly involved in that analysis to determine within each vehicle class what the most cost-efficient and most environmentally sustainable unit within that selection of vehicles that falls under that class is. That's a major -- they're directly involved in that analysis. >> Tovo: So the it sounds like -- it sounds like they're involved once the department has identified the particular class of vehicles, which is good. I mean, because the departments themselves are the ones that probably have the the best understanding of what kind of vehicles they need, but I guess would I say, I don't feel the need to address this at a council level. But I would certainly invite our sustainability officer to -- if that department feels that there are any needed changes to send them on for consideration in the form of a memo or other form. It sounds like they're already very involved. If they feel they need to be involved at an earlier time, that would be my direction that I would be comfortable with at this point. Again, not having a policy discussion at this level. I certainly don't want to be involved in hearing from every department about what kind of vehicles they need, but I would invite, if our sustainability office feels that changes are necessary, would I invite them to supply -- I would invite them to supply us with a memo. >> Mayor Adler: Manager, could you touch base with the sustainability officer and report back to us that either she feels like she was sufficiently involved or she sees there might be opportunities to further hone in on that? >> I'm happy to have that conversation with our chief sustainability officer. I do want to underscore Jerry's comments, though, about she's very much involved in the assessment that they go through, taking into account the kind of values that he talked about, that we're always concerned with. But I'm happy to have a conversation with her and

[10:42:42 AM]

respond back to council. >> Mayor Adler: Thank you. >> Just to add one note, that was addressed in the the carbon neutral plan that we presented to council, I believe, last year that has been ongoing for several years now, dating back to 2007, when the council passed the resolution directing that we become carbon neutral by 2020, and that carbon neutral plan addresses that issue of look for more sustainable alternative fuels, et cetera. >> Mayor Adler: Thank you. >> Mayor Adler: Is there a motion to approve -- [lapse in audio] That's okay, go ahead. >> Houston: I just wanted to say thank you for the information. But there's a perception, and the perception is that tahoes do use a lot of fuel, and there could possibly be something else. Although I hear you saying that you've gone through that process and these are the most fuel-efficient, environmentally friendly options that you have, people out in the real world have tahoes and they complain about how inefficient they are as far as gas multiply so I'm just saying the perception and the reality are sometimes different, and perhaps you just need to be aware of that. >> Thank you, ma'am. >> I have a question. >> Mayor Adler: Okay. Just so that we have a motion on the table, Ms. Pool moves for the approval of this item. Is there a second to that? To the car purchases? Mr. Zimmerman seconds. >> Zimmerman: No. I wanted to move to refer it to committee,

and I had some reasons for that. >> Mayor Adler: Mr. Renteria seconds the motion to approve the the item so the item is now on the floor. Ms. Kitchen. >> Kitchen: Okay. I wanted to follow up on councilmember Gallo's question about code compliance. I wasn't sure that I heard the

[10:44:44 AM]

answer. I think the question was the use of trucks, if that's always necessary. Could you follow up on that question? >> I don't remember the specific discussion we had with code compliance. It's been a couple of years ago since we made the determination that that was the best vehicle for the application. >> Kitchen: Okay. >> But we did -- I do remember that we went through that discussion with code compliance at the time that we moved them into that class of vehicle for that application. And the situation has not changed to this point. But my staff goes through this process every year with each department for every vehicle that's being purchased for that department. We go through this discussion as to what the operational need is,ing what the best class of vehicle or type of vehicle to fill that operational need and then we winnow that down to what is the most cost-effective vehicle available in that class, environmentally friendly vehicle in that class, so on and we reach the determination to what specific vehicles we're going to buy for an application. And I can tell you that just in the the years that I've been here, six or seven years now, on a number of occasions we have told departments as we went through that discussion, no, you can't have that vehicle. What you're doing just justify that size of vehicle and we have downsized quite a few vehicles in their applications, even not extent of moving specific selections down to a Toyota prius as opposed to out of a compact pickup or even a full-sized pickup overview the years and that's one of the things that we try to push constantly, is to downsize the applications that we select to put into the fleet. And extremely cost conscious, environmentally conscious, trying to reach that goal of carbon neutrality and minimum fuel consumption and so on. >> Kitchen: I didn't mean to

[10:46:46 AM]

question y'all's judgment. I know you're doing a good job. Would I never question that. I'm just asking from a policy perspective, just for my understanding. You know, because code compliance is something we've talked about a lot, you know, recently and we've been thinking about their role and thinking about ways -- because they're perceived in the community. Sop it's not entirely clear -- so it's not entirely clear why you need a truck all the time. >> Mayor Adler: Yes, Ms. Troxclair. >> Troxclair: Thank you. I just had a question about why cars are included in the capital improvement plan. I mean, I understand the reasoning for having a five-year -- longer-term capital improvement plan because a lot of times we're thinking about building and I was projects that take multiple years and we need the

funding to roll over, but something like cars that's a one-time purchase, can you help explain to me why something like a one-time purchase is included in a capital improvement plan and then what other one-time purchases are in our capital improvement plan? >> I think from an individual perspective a car is a one-time purchase but from a fleet perspective it's an ongoing purchase every year and they have a capital item. Maybe I'd defer to Elaine for -- >> Sure. It's a capital asset with a long-term life, and so that's why they're included in the capital budget rather than the operating budget. Because they have a longer than one-year useful life. >> Troxclair: Okay. And I'm just curious, in a lot of these lists, you know, it seems to be very similar types of trucks, like a Ford truck versus a Dodge truck or Ford truck versus a -- Ford van versus a Chevrolet van. I'm just really curious what the differentiating factor is. It seems to me that would you buy in bulk but I assume y'all

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are getting the best deals possible through the cooperative purchasing agreement. I'm curious why one would choose a particular brand over another? >> Generally speaking, it's based on perhaps the type of engine as an example. We switched from the -- a couple years ago we switched from the FF4250 chassis to a Dodge 550 chassis under the ambulance because of the problems we were having with the Ford F450 and the engine and we determined that the couplings engine and transmission in the Dodge was much more supportable and maintainable and, therefore, we made the decision to switch that chassis. Within various classes of vehicles we try to standardize where it's practical to do so so that we can reduce the amounts of parts inventory that we have to maintain and keep on hand to support various classes of vehicles, but the technology is changing at such a pace nowadays that back 15 years ago, you know, as a fleet manager I would try to standardize to just Chevrolets or just forwards or whatever, but - - Fords or whatever, but the technology is changing year to year almost, and, again, we're constantly looking for the best cost supportable alternative and environmentally supportable alternative each year and the fleet is large enough now that standardization really -- we've got so many different types of vehicles in the fleet now, we've got over 460 different classes of vehicles in this fleet right now, which is probably one of the most -- I mean, it's one of the most diverse fleets you'll ever see anywhere. So, you know, we do that. And we also don't want to tie ourselves to one particular type of fuel. We try to maintain a diversity of fuel types in the fleet so

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if there are market influences, as an example petroleum shoots through the roof or natural gas becomes non-available or petroleum -- or propane goes crazy we still have enough flexibility within the fleet to continue operating as we react to those changes in the market, that you have a tremendous -- it can

have a tremendous effect on fleets. >> Troxclair: One -- can I ask one last question. >> Mayor Adler: Okay. >> Troxclair: Thank you. My last question is all the vehicles that we purchase are brand-new, right? >> Yes. >> Troxclair: So I'm assuming that you do that for predictability and life cycle and that we do get a good deal because we're buying in bulk and buying through the cooperative. For the average constituent who looks at this item -- for the average person buying a used car is significantly cheaper than buying a new car. For someone who questions why we're constantly purchasing brand-new cars instead of lightly used cars, can you tell me what the response to that would be is this. >> We've done the life cycle cost analysis on that numerous times, and I can't tell you how many times I've done it in my 28-year career managing public sector fleets, but it always works out [lapse in audio] Vehicles significantly cheaper than you can go buy that vehicle off the lot. When we're buying in bulk, if you start growing to try to buy used vehicles you would be bidding each one of them out separately and the administrative time that would be involved in bidding each one of those used vehicles out separately is - - would far outweigh the cost of any cost differential from a now a used vehicle. Typically used vehicles, when you're a consumer, are costing almost as much as what we pay for a new vehicle. Sometimes even more. >> Renteria: Mayor, I call the question. >> Mayor Adler: The question has been called. Is this a second to the motion?

[10:52:50 AM]

Ms. Pool seconds. Undebatable -- not debatable. Those in favor of ending debate, please raise your hand. Those opposed to ending debate? Mr. Zimmerman, Ms. Troxclair. Debate is ended. We'll now take a vote on this item. Those in favor of this item number 10, please raise your hand. Those opposed? Mr. Zimmerman voting no. Ms. Garza off the dais. It passes. Ms. Gallo? >> Gallo: I would still like to make a request because -- that this policy discussion be moved. Would I like to us adopt a policy that gives a preference for fuel-efficient cars and that there need to be a reason specifically stated to alter from that. And I would like to have that policy discussion in committee, please. >> Mayor Adler: Would you -- Mr. Manager, when you ask the sustainability officer to address that initial question, would you also ask the sustainability officer to address that second question, which would then lead into and tie off the conversation? >> Absolutely, I will. But understand that, you know, I don't think that, you know, the look into -- questions should be addressed singly to chief sustainability officer. I still think a full and complete response also involves Jerry being involved in responding to the total question. >> Mayor Adler: That would be great. Ms. Tovo. >> Tovo: I thought I understood from the response we received they are following policy direction that was in an existing plan. >> The carbon neutral plan specifics, it does direct the city toward carbon neutrality, and it specifically mentions alternative fuels and fuel economy in that plan. It doesn't get into a policy

[10:54:50 AM]

of buy this vehicle as opposed to that vehicle, but it does provide guidance that steers the city toward carbon neutrality and fuel efficiency and so on. >> That's correct. It leaves those kinds of details to the subject matter experts, which, again, is jerry. But in the course of responding to the questions that have been raised, we will respond to that as well, what we've been doing in terms of carbon neutral vehicles so we'll certainly do that. >> Tovo: Would I just be interested, just to clarify, would be interested to know what existing policies we have that guide those decisions, both in the carbon neutrality plan as well the climate protection plan. Again, just before we reopen a policy discussion, just see what some of the existing policies are that staff are currently operating under. >> Makes sense to us. It's framework for our response, absolutely. >> Mayor Adler: Sounds good. Thank you. Ms. Gallo. >> Gallo: One final comment, please. As we move into the budget cycle and budget discussion, we don't have an unlimited amount of funds to spend and we all hear very clearly that we have pretty substantial staffing needs in all of the departments so I think as we find places we can be more sensitive to efficiency in the equipment or cars or things that we use, I think that's a really appropriate discussion. And once again, just looking at the outline of the cars that were involved here, it seems like it is weighed very heavily to nonefficient cars from the standpoint of gas mileage so I look forward to that discussion as it helps us make those budgeting decisions. >> Mayor Adler: Sounds good. Yes, Mr. Zimmerman? >> Zimmerman: Mr. Mayor, I'd like -- whenever you refer the policy question here to committee, one of the things that needs to change, I'm a little surprised to hear you say 28 years in the business. Everybody knows in the car business you wait until the new model year, 2016, when that model year comes out, all the new 2015s become less valuable. So the comment to say we need

[10:56:51 AM]

to hurry up and buy 2015s before the 2016s come out almost to me seems a little ridiculous. Do you the opposite, wait until 2016s come out and get a better deal on 2015s. >> To address that question, if you're a [lapse in audio] Manufacturers use these bulk orders to plug into their production cue, that's the reason we can get the price breaks that we do on these. Invariably, in my experience, if we go to a following model year, if we have to go from a 2015 to a 2016, as an example, our price will go up. And dealerships do not buy these things in bulk and just hold them, anticipating a municipal order or a public sector order. They order these things from the manufacturer as they receive the orders, and there are actually model year cutoffs and -- that we are up against that if we don't get our orders placed before that model year cutoff, then we won't be able to get anything ordered until the next model year hits the production line and then we're forced into a higher price. That's been my experience for my entire career. >> Mayor Adler: Okay. We're now moving on to the -- are we taking a -- should we vote on this? Thank you. 11, 12, 13 are items that are handled. Now we're getting into items that are going to be more discussion items. Let's call up number 1 right now, the deferred payment agreement issue.

[10:58:51 AM]

This is also an Austin energy item, but I understand we're probably [lapse in audio] We have three speakers to speak on this issue. Do you want to tell us where you think we are right now on this? And then we'll call up the three speakers. >> Yes, mayor. Good afternoon, everyone. Good morning. I'm Kerry Overton with Austin energy. On this item it's my understanding we had reached an agreement but also there might be some proposed language that's coming forth that we have not had an opportunity to view, and so when that comes forward we'll comment on it as well. But we reached an agreement to move in the the right direction, to start lowering the debt, not only for the city, but for individual account holders. Obviously, as bob and the stakeholders [lapse in audio] Should go to a lot of people who worked very, very hard in the last few weeks to make sure that we've found a balance of trying to approach recovering the debt for the city, but also offering the most flexible terms for our customers. And so the summary of it, mayor, councilmembers and mayor pro tem, the summary is we made a proposal to lower the number of payment arrangements. We were not able to completely get the number that we desired, but what we did agree on is capping the dollar amount that the pa in total could accumulate to over a thousand dollars and we think that was a great compromise on both sides to move in the right direction.

[11:00:54 AM]

We also put some provisions on the last payment arrangement that will require 50% down payment on the very last payment arrangements before we go into the disconnect status. With that being said we think the staff and the city and many other departments than Austin energy was involved in the discussions, we believe we reached a good agreement that we can recommend to you to adopt. And again if there's more language we'll be glad to make comments if you have questions of us. >> Mayor Adler: Okay. We'll go ahead and call the speakers. Bob batlin. Then Carol betiski and ruby Rojo. >> I'll try not to be repetitive. Mayor, members of council, I reiterate what Kerry said. We did in fact reach what I believe is a good compromise. Austin energy had wanted to address bad debt for all 19,000 customers that were under payment arrangements and not in the customer assistant program, capital metro program. We thought that was too restrictive and we tried to find a way to find the customers accumulating the most debt, which is what Austin energy wanted to accomplish. We found if we made a cut at a thousand dollars we would cover all of the cap customers, which amounted to a little over 8,000

[11:02:57 AM]

customers under arrangements. 12,600 that were non-cap customers. That had payment arrangements of less than a thousand dollars. And that would leave about 6,000 that were not handled. We were concerned about those six thousand. Many of them may be customers that should be subject to very stringent terms and conditions and we don't have much problem with that. I'm sure some customers that we're worried about will fall into that category, but we can't have a process that deals with every exception and so we developed [lapse in audio] That will challenge you to work on the 6,000 and find out what the nature of those are, and if special arrangements need to be made for some of them we'll do that, but at a different time. The process I believe is a good process. In order to make the process work the middle category, which we call account watch status, that has implicit in that a lot of customer contact. And we believe that there is a certain amount of education that will have to go forward and staff is going to have to be responsive to there. And really the goal is to make sure that staff finds a way to help the customer not get into any worse situation. There are a lot of tools in the tool bag and customers are not always aware of those tools and they have to be helped to be guided to find those tools so they don't get above that one thousand checkpoint F they get above the thousand dollar checkpoint, more

[11:04:57 AM]

stringent things happen. >> Thank you. >> So morning. My name is Carol, I'm with tax ratepayers to staff energy. Does everybody have this yellow paper that says payment arrangement [lapse in audio]. This write-up reflects it. I have two concerns about it. The first one, and I think that this is okay with Austin energy but I'm not sure. We pulled some language from the ordinance about the 24 months being a reasonable time frame and about the down payment. And that is included in section B in this, which is account watch. And it's my concern that in the ordinance these terms and conditions apply to all payment arrangements. And so I want to make sure that it's clear that this write-up as it actually is reflects that. My second comment is in regard to the account watch status. And if you turn to the second page after we have the list of bona fide reasons for an agreement there's an agreement there one sentence that's very important to me and I think it is to the other advocates. This is the sentence that says that the customers in account watch status will be conducted by especially trained customer service representative. I would like to see that pulled out and put right

[11:06:59 AM]

upfront for the account watch description. And the second thing is there is an issue with this. We had a discussion on a conference call late last night and that is about putting into this process for contacting the customer some kind of a time frame. I'm concerned that if the objective is to contact the customer

to try and help them to make other arrangements or to take steps to help remedy their situation or cure their debt that they have enough time to do it after they actually have the meeting. So we are recommending three business days, that within three business days after the customer fell into account watch status that they would be contacted and that I was told was not acceptable to Austin energy so I think that maybe we should -- maybe we can come up with some kind of a time frame that is more acceptable, but we don't want customers being called the day before they're supposed to be disconnected for some kind of counseling session. And that may happen. I'm not saying it would happen on purpose, but may happen so we need some language to avoid that. [Buzzer sounds] And other than that like I'm good. >> Mayor Adler: Thank you. >> Tovo: Mayor, if I may. I just distributed some amendments that speak to the concerns that Ms. Bediski raised. If I could refer you very quickly to my document, which my staff worked on in conjunction with several of our speakers here today, it does clarify that point about the ability for customers to have that first payment arrangement and it does bump up the account watch status notification to the beginning of that section. It includes the three business day instruction has

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Ms. Bediski just made and Austin energy did have an opportunity to review this yesterday [lapse in audio] And have concerns about the three business days. So maybe we can ask them what is workable from their perspective. But I wanted to -- >> Mayor Adler: Okay. We'll come back to your draft. >> Tovo: I wanted to make it clear that's the substance of the amendments that I distributed. >> Mayor Adler: Have you had a chance to see Ms. Tovo's amendment? >> I did in the hall. >> Mayor Adler: Does it pick up the points that you raise? >> It does. >> Mayor Adler: Thank you. Ms. Rowl. >> My name is ruby [lapse in audio]. I want to reiterate what Carol and bob said. And for me and the people that I serve it's very important that the 160 people that answered the phones for Austin energy are trained on what we want to do here. This is the beginning of changing the way the culture does business for Austin energy, but it's only going to work if the folks that are answering the phones are going to do a good job. And that these proceeds are going to be very clear to the customer coordinator or customer representative answering the phone in both English and Spanish and we also have an Asian community that is growing. So we've got to be sensitive to the needs of the people all over the city. So again the training is very important that the employees understand exactly what they're going to tell you and me when they call. And thank you, councilmember kitchens, tovo and mayor, for having your staff at our meetings because I really felt that it was very helpful. Thanks. >> Mayor Adler: Thank you.

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>> Our overall review, there are two additions added on since the yellow sheet for the payment procedure arrangements were passed out. In terms of the adjustments, we would not -- it would not have been our recommendation for the equal installments to be divided over 24 months, but we can after reading it agree with it. Again, the presentation we made to council was we want to provide the most flexible terms. But we also want to change the behavior that the customers don't push off paying the debt back over a long period of time. So in the -- in the sake of compromising here we can agree to it, but it's not your goal to have the option for the customers to continue to push it and delay the payment to the city because what we know as part of the collections process, the longer the debt stays out there the less likely you are to collect it. >> Mayor Adler: What would you have instead of that? >> We would just simply say that they have the payment arrangement option with 24 months, not necessarily put in ordinance code that it would be equal installments. Because that means every payment arrangement would automatically take a division of 24 months in order to pay back and not all customers will choose that pattern. But again, it's a language, it's sort of semantics at this point. >> Mayor Adler: Go on to the next one. >> Okay, we can agree to it. In B we do disagree with it because it is a new program that's going to impact resources. We pride ourselves on making sure that we have communications with our customers. This provision causes us to have an outbound program

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that will call every customer that falls into that new watch status category. It's a pretty good number and going into the summer or fall would be that by adding additional calls, if we don't add more resources to the call center it will take longer for other customers on other issues that you should always make improvements on. This is not one that you would anticipate the kind of resources that you would need to carry it out exactly. And to the stakeholders last comment, I won't go into the details. We have very well trained Spanish speaking agents. We have a contract, we have programs and for every language there's probably possibly over 36 or more dialects in the city of Austin. And for every language that we come across we have translating organizations that we call so there's not a language that we cannot have interpretation on trying to provide customer service on an individual level to any customers. But what we do agree is that we take 4,000 calls a day and the city is going to always say we welcome the feedback that we receive from the advocacy groups that we can always make improvements and so we don't have any real differences on those issues. >> Mayor Adler: So that I understand, if you were doing this on number one, you would have language that said payments over a period of up to 24 months. >> That would be correct. >> Mayor Adler: What is the second thing you would have done? >> The second I would simply say we would make contact with the customers -- >> Mayor Adler: Where are

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you? >> Part B, the new version K. >> Mayor Adler: Within three business days, is that the section you're talking about or something later? >> It's the ending where it says to contact the customer to arrange an appointment. I'll read the entire paragraph. >> Mayor Adler: How would you word it? >> I would leave it within three days we would make a contact with the customer because that allows us to send a notification. We could do an outbound call, but setting an appointment just is a much bigger and involved transaction to make sure that it actually -- the meeting occurred. >> Mayor Adler: So what you would do is you would strike arrange an appointment to. So you're saying -- >> No. Just make a contact. >> Mayor Adler: In account watch status to discuss the status of the account and remedies to the situation. >> Yes. >> Sold strike the words arrange an appointment to. >> That's correct. >> Any other changes that you would make to this document? >> No, sir. >> Mayor Adler: Thank you. We have one more person still to speak. Thank you very much for joining us. Mr. King? I'm sorry, Ms. Tovo. >> Tovo: Before these guys leave I wanted to get back to them. It's okay with me if you want to hear the final speaker and then come back. >> Dave, why don't we have you come up and speak and they have we've heard that whole part because Ms. Tovo may have a question for you too. >> Thank you, mayor, mayor pro tem, councilmembers. I just wanted to just urge that you really consider paying for the debt that is owed by customers that are so far behind that they will not be able to catch up even

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with a payment plan. And use some of our excess reserves. There's about \$26 million, I understand, in excess reserves for one-time expenses. Why not use that money to help these low income and disabled customers who are struggling everyday just for their basic needs. When we talk about equity, this council approved special discounted rates for large consumers, consumers of large amounts of electricity. So I think we need to look at equity here, let's help our -- our low income customers. It's not their fault that the economy and our system has dealt them this hand. Even though they're working so hard they can't pay the basic needs that they have. So I think we should do right by those customers. This debt that's around their necks is not fair based on the system we have today. I hope that you will consider that as a strategy and not perpetuating these payoff plans that ultimately probably won't work in many cases and yet we spend lots of staff time and employee time trying to get this money back. I think we need to look at the efficiency and effectiveness of this strategy with the payoff plans over time [lapse in audio] And going forward let's be equitable. If we're going to give the customers of large [lapse in audio], give our low income customers a big discount on their bills too going forward. Thank you. >> Mayor Adler: David, the -- this is a difficult deal and I appreciate the work that everybody is doing to try to get to. The difficulty we have is state law won't let us forgive the debt so we have to come up with some process other than paying off or forgiving that debt because state law has denied us that

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tool. That's what's making this work so important. Thank you very much. >> Kitchen: I have a question for David. There might be some possibilities to address what you're raising as part of the funds that we have right now that help with payment of utility fees. So perhaps we need to examine how that fund is working because for some reason we have people ending up in this bucket that perhaps should have been helped in the other bucket. So that's something we can look at as part of the budget process. >> That sounds good. Thank you. >> Mayor Adler: Okay. Ms. Tovo, did you have questions you wanted to ask? >> I did. I wanted to hit the second change first. And just hear from Ms. Bediski, as I understand the change that Austin energy has suggested, that amendment would say three days from which Austin energy customer falls into account watch status, et cetera, et cetera. [Lapse in audio]. The status of the account and potential remedies. Does that sound like it meets the aims that you all spoke about? >> I think so. Is that what was said? Because I was thinking -- is that the change that you wanted? >> I would have left it at just make the contact. When you say to discuss, again, it's going to give an indication of an actual meeting. >> Mayor Adler: You could say to address. >> Tovo: Or to inform or something. I want to be sure that there's some conveyance of the information that they're on account watch status. >> That's correct. >> I am okay with that. I will still thinking about the fact that it would make me feel better if we had some language in there to say that after this

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discussion occurs that the customer will have like at least like 10 business days before their service would be cut off because if we're going to talk about remedies, people need time to do that. Et cetera not easy to go to the county and apply to different programs so I want to make sure that the customer has that opportunity to make good on the [lapse in audio]. >> Mayor Adler: Ms. Kitchen. >> Kitchen: I have a question. I don't want to put things off, but it does sound to me like there may be some time to look at the language. Do you all think it would be appropriate to give y'all time between now and Thursday to work on this language or otherwise we'll have to work on the language right now. >> Tovo: If I could answer that. I think it sounds like we are just about there and I would hate to ask all these folks to come back if we're just about there. So my proposal would be that it say blah, blah, blah, will contact the customer in account watch status regarding the status of account and potential remedies. That doesn't completely address your concern but I think it addresses Austin energy's concern and fulfills the goal of having those customers who are about to reach or have reached account watch status being informed about it. Mr. Batlin? >> I would like to say that the proof, no matter what the wording is, will be in the pudding of the scripts that get developed for the customer service reps. I'm fine with this wording and would like to move forward T. >> Tovo: Mr. Overton F we take to arrange an appointment to discuss and strike that and change it to regarding the status? >> Yes, ma'am. >> Tovo: So that's the second. I have work to do on the first. >> Mayor Adler: What were

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the words? Say it again. >> Tovo: On the amendments I distributed we are striking to arrange an appointment to discuss, striking all of of that. We are omitting needless words. Supplementing that with regarding. So striking to arrange an appointment to discuss and change it to regarding. >> Mayor Adler: Okay. Ms. Tovo has moved this amendment with this change. And with respect to the one we just did, does anybody have any objection to that change to Ms. Tovo's amendment? Ms. Kitchen? >> Just a audio] You. >> Let me go back to specific language into a regulation, but rather point to the spirit of what the council want and say we shall provide payment arrangements, be flexible, help the community, et cetera. And then take the details into an administrative policy. Given the time constraints we are here, but you're putting this language in to an ordinance and we're willing to continue to move forward, burr we would ask that you think about it at some time in the future that we put this down in policy. But to answer your specific question, the contact may mean that at the beginning it was a discussion or meeting and what happens is we can place the call in three days, but if that summer never responds that's the nuance there. If they never respond back or get that call then we

[11:25:22 AM]

cannot move forward with a disconnect. However, the language that's proposed by mayor pro tem tovo in the last version we can agree to her change, her recommended change. >> Kitchen: I'm just wanting to make sure everybody has the same thing. >> Mayor Adler: Any problems with making the change to the amendment that Ms. Tovo is offering as we just discussed. Ms. Tovo? >> You looked like you had a concern about it. >> I'm okay with the regarding the account watch status, but I would feel better if we still, like, kept the language and arrange an appointment to discuss because that's really one of the things that at least I felt was a major step forward in these procedures where people -- where there would be the opportunity to try to find out what the person's real problem is and to see if there are steps and measures that can be taken in order to find a more permanent resolution of the payment problem. So I would just like the appointment language to stay in, but if it doesn't, then it doesn't. >> Mr. Mayor, I think it's really important that if we're going to implement these procedures and make them a policy that the customer -- that we need to start building these relationships with each customer that has these problems because we don't know if they have a bona fide reason or not unless we come and speak to Austin energy and find out, you know, what we can do to help these folks. So I agree with councilmember tovo and Carol that if we can bring them into the office, we have two

[11:27:24 AM]

substations and we can start working with individuals. It's going to be much better for the families. Thank you. >> Mayor Adler: I've heard you raise two issues. One is we can't set an appointment with someone who is not communicating with us. And the second issue I thought you mentioned, just a resource issue in terms of how many appointments that might end up being. Are those the two issues? >> [Lapse in audio]. We would have to have call handlers contact the customers, have the discussion within the three days where they're already moving from one status to another. At that point at any given day that program had not been anticipated in our budget and the length of those calls can be very long and our fear would be that customers calling in for other reasons other than payment arrangements, we would end up with a backlog or a long hold time for other customers. So that was part of our feedback. But just simply making the contact because if we get in heavy season we can actually send notification, have them contact us or come to our walk-in center, but we would have met our obligation to at least notify them that they have moved from one status to the next. The other one, the first language was guaranteeing that we actually had the meeting. Let me go back to one other item, mayor and council. Many of the programs that we're talking about at this stage we have them. We have special agents set aside. We work with the community. We do case management, we work with the advocacy group. The recommendations as we hear are just improvements

[11:29:25 AM]

to those programs until they come to the point where they're impacting resources. So these things we actually do with our customers. The difference in Austin energy's view is that when you create the buckets and you move from a few hundred -- a couple hundred employees and then you create a status that have several thousand customers in that category it becomes a resource issue to carry that program out properly. >> Mayor Adler: Thank you. Ms. Houston? >> Houston: My heart is for the customers who do get their electricity disconnected, but it feels like I'm micromanaging at this point. I think that we have the general intent of what the advocates want and the energy people want. And so for me to try to sit here and make this right sounds like a policy that should be handled at a different level and that this should set out our clear expectations for how that is, but not tell people how to make -- get it done. Am I clear? >> Mayor Adler: Yes. Further conversation on this. Mr. Zimmerman? >> Zimmerman: Thank you, Mr. Mayor. I have the same issue. It seems like we're way down in the weeds and it's a very important discussion to have, but could we back up? I've lost sight of what were we trying to do from a higher policy level. Our problem is there's too much debt out there. The problem is that we've got a payment plan that hasn't worked, it's increased the debt of our customers and people are still getting disconnected. Could you back me up and say where are we trying get to a year later if we implement whatever we're implementing? Where are we going? >> Two years ago we had essentially the same problem except the emphasis was on

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those people that couldn't pay and a lot of people were being cut off that just couldn't pay. And we created some new rules that allowed extended payment plans. >> Zimmerman: And the debt went up like a ski slope. >> It continued to go up. >> Zimmerman: That didn't work. >> It never attended to address debt. It addressed not having people get cut off. Of the result was it didn't address debt and the debt is continuing to grow. What we tried to do is have a compromise, how do we protect the customers, the low income customers, the customers that are having bona fide problems meeting their obligations, how do we best help them, protect them? How do we keep their lights on while putting the hammer down on people that were just not paying? And this was the compromise and fundamentally it's three things. If you are paying your bill and you have a payment arrangement and you're paying it, we leave you alone. >> Zimmerman: I got that, but back to my question. The debt is at a certain point now that we need to get that down? Is it 80 million now and we want to get it lowered to 60? >> What we did is we said there are 27,000 people with payment arrangements and we want to hit the highest -- the compromise was to address those people with a debt of over a thousand dollars. >> Zimmerman: And do what? Get it down to something? >> Cut them off. Have a process that will cut them off quickly so that they don't increase that debt. >> Zimmerman: Okay. That's good -- >> And also the people that are nearing a thousand dollars [lapse in audio] They start paying their debt

[11:33:29 AM]

so we're going after all of it. But the real thing that we're doing to help Austin energy's debt problem is with the highest debt people. >> Zimmerman: So we're going in the right direction there. >> We're going in the right direction. It isn't all the way. >> Zimmerman: But I want to have a target. I agree with councilmember Houston, we're a higher level policy, you're more the detail policy you've been discussing, but for the high level I want to know if what we're doing works so we can come back a year later and say here are our goals and we've met them and I'd like to see those goals. >> Mayor Adler: I think we're real close here. And I want to try to move us forward because the one thing we were supposed to talk about was the drainage fee. We haven't gotten to that yet. We had talked about stopping at noon and it's not going to give us a lot of time. I'm trying to get from here to there and I think I can do it. There are three possible changes to Ms. Tovo's amendment here. The first one was -- the three are whether or not it makes sense to take that first one and instead of saying equal payments over a period of 24 months to leave in flexibility in the payment terms and say payments over a period of up to 24 months. Is that okay with the panel? Is that okay with everybody on the dais? >> Works for me. >> Mayor Adler: Sounds like it's okay with everybody. >> Tovo: Let me just say that what I don't expect to happen is a requirement that goes back to where we were before all of these changes, which is that somebody who is in a difficult situation then becomes responsible for 50%. One of the reasons we had that equal installments was to make sure that we didn't have customers out there who were

struggling, didn't enter into a payment arrangement, got cut off and then became responsible for a 50% payment, which was out of bounds for most of them. So as long as that's -- as long as the general direction is clear I'm comfortable with that change. >> Mayor Adler: Does that make sense? >> The direction is clear. And also keep in mind that we also are not making any changes to the payment arrangements for our capital

[11:35:29 AM]

metro customers. Those -- for our cap customers. Those customers are well protected with the greatest level of flexibility and case management. >> Mayor Adler: Got it. That first change is okay with everybody. >> Tovo: While I appreciate that, I want to say there are a slew of other Austin energy customers who don't meet the qualifications for the cap program, but struggling to pay their utility bills. >> Mayor Adler: The second change we have is striking the arrangement and put in regarding and I think everybody was okay with that change too. With that understanding we'll make that change too. And the third question raised here is whether or not we also include an appointment requirement. And I think that's an issue. And I'm not sure we've figured out the logistics of that sufficient for us to move forward with that at this point. >> Kitchen: I have a suggestion. Perhaps it's offering an appointment. Not everyone will want or need an appointment, but offering an appointment that would cut down the logistics of having to have an appointment, but it would also make that available. >> Mayor Adler: I just don't know -- I don't know that they've had the chance to if you're offering an appointment to 8,000 people or 10,000 people, I don't know that -- I don't know how -- I don't know how that works and I don't know in an ordinance like this we would put in that level of -- to go back to what Ms. Houston said, that level of direction. I just don't know. I'm real comfortable voting for this for these two changes. I'm not sure the employment issue has been baked enough for us to act on here. >> Are we talking about bringing that back? >> Mayor Adler: I would pass that with those two changes, but I would say let's continue to work on whether there's a vehicle or a mechanism that would make the appointment the greater case management what would be the system for that. I would like for us to pass something so this moves forward at this point. If there was a motion

[11:37:30 AM]

positive adopt Ms. Tovo's amendment. -- A second to that. >> I'd second. >> Tovo: I'll say there's an opportunity to add, the point that councilmember kitchen made, after to address the situation, say offer an appointment. If there's not a will on council to do that today I would certainly support coming back to address that. Also to address the point that Ms. Rojo mentioned about potentially setting out with regard to customer service and training procedures. >> Kitchen: Maybe we should take a vote on go

ahead and offer an appointment. >> Are you able logistically to handle if we offer an appointment? >> I think the spirit and the of what we want to agree to to make it to closure and have success. What I don't know is I can't advise you what the resource impact will be on of that. I assure you that our staff knows the spirit of this conversation and if you approve it with the language of make the contact, we just don't see a customer falling through the cracks. But you're asking me to do it without an analysis or interpretation of how we would effectively be able to assure you that we would do it at your standards. >> Mayor Adler: Okay. So Ms. Tovo, do you want to make the motion to include the line and offer an appointment? >> Tovo: It was really councilmember kitchen's point so I'll let her make that suggestion. >> Kitchen: I propose make account and potential amendment that says offer an appointment instead of arrange an appointment. I think that's where it would go and you would still keep the regarding in. >> Mayor Adler: You would say they would contact them in three days regarding the status of the account, the

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potential remedies to the situation and offer an appointment. And offer an appointment is being offered at the end of that line. [Lapse in audio]. >> Renteria: The reason I'm supporting that is because through my history here in the city of Austin and have lived in a low income neighborhood and I have seen that when in the past they used to offer where you could walk in and talk to a real person and not a computer or automated system, people would sit down and really discuss their conditions and their problems that they're facing. And there's some -- I'm not talking about the -- about the ones that have gotten in trouble because of medical problems or whatever loss of jobs where it's able to sit down and really make an arrangement whether they could really make these kind of payments. And we have a lot of people in Austin who doesn't know how to do those kind of procedures and I think that given the people the opportunity to go and -- before someone with Austin energy that they could make these arrangements and the ones that are abusing the system are not going to come in. And that's the reason why I think we should give that a chance and if it doesn't work we can always change it. >> Mayor Adler: I'm probably going to support it myself with the thought that if it looks like when you do that it is creating a significant work load associated with that, then I would want you to come back to the council if this passes right away so that that can be justified, but I think making that offer might make the conversations go better even if an appointment wasn't made. But I would want you to be

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supporting this to increase that burden without having specifically understood what that burden was moving forward. >> We certainly understand the feedback and again in being short with time my

comments are I didn't want it to be miscommunicated that we don't actually have our customers come in and have face to face interactions with us. We have programs to support that. So we are in support of it. It was just simply the comments on the added category that was created. But we understand your feedback. >> Mayor Adler: Further conversation? >> Troxclair: I appreciate councilmember tovo's work on this and councilmember kitchen's suggestion and I understand the spirit of it, but I want us to be really cautious about making this decision which we're hearing from Austin energy will have a big impact on their available resources without understanding what the factors of that decision are. If we're talking about potentially 10,000 customers, even if only 50%, even if only half of those people who are offered appointments do come in, that's 5,000 appointments, which is about 14 appointments a day over 365 days. We're talking about probably 20 appointments a day now, so I think that it is very potential that Austin energy is going to devote -- have to hire more staff or devote additional resources. It seems like this is a really big change and I just really want to caution us about making this decision before we have the information about how it's going to be implemented. I would be supportive of the amendment without that change, but I really hope that we can take time to think about this before we make such a big decision. >> Gallo: I too appreciate everyone's work on this. I echo the mayor's comments in that I think we have to remember as we look at looking at something with the potential to require more staff work load and require staff to implement

[11:43:34 AM]

that the effect of of that may be adding to the utility cost for the customers that are actually paying their bills. And I think we've heard from everyone that people are really concerned about how the utility bills are going up. If we do approve this having staff come back very quickly if staffing is an issue, then more staff would have to be added. >> Mayor Adler: I'm thinking about of if it rises to the issue of a couple money, rather than a thousand, then it has an impact on the work load and we would need to look at that time and address it. I think it was there and then -- you were next and then Ms. Tovo. >> Zimmerman: This is easy. I'm going to have to abstain from these. In the first place I think our policy discussion is backwards. We should have had the high policy discussion could to figure out overall what are we trying to do to get the debt down and then have the detailed discussion. So I don't know where this is going. I'm just going to abstain from the vote on all these. Thank you. >> Mayor Adler: Okay. What's under consideration now is adding the words and offer an appointment. Any further discussion on this? >> Tovo: I was going to suggest if this passes we can add it to the August Austin energy agenda to ask the staff to come and report on how many customers fell into account watch status in this period between now and August and how many of those took up the offer to schedule an appointment, knowing that they already have that option really to go in as you pointed out and seek assistance through the walk-in centers. >> Kitchen: I'll quickly add that the mechanism of moving forward with this and allowing for Austin energy to come back with work. In my experience in these kinds of programs for many years it's not going to be 50%, it will be much, much less that take advantage of it. And those that do you will get a better payment plan,

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as councilmember Renteria suggested. You will actually get a result. I think in the long run it could be very beneficial to the concerns that we have about the debt. >> Mayor Adler: Those in favor of adding the language and offer an appointment please raise your hand? Those opposed. >> Zimmerman: Abstain. [Lapse in audio]. >> Mayor Adler: The others voting aye, it passes. Now we'll vote to the payment procedure in toto. Any further discussion? >> Just one quick point. I'll be interested to hear from Austin energy advocates once the scripts come O we get a lot of calls in my office about folk with Austin energy disconnections and in particular when people are on a lease that they don't understand that often times landlords consider disconnection of electric utilities as also forfeiture of your home. So it's a serious matter and I appreciate all the work put into it and please stay in touch with my office and all of us as we move forward with how we can work this out. Thank you. >> Mayor Adler: Thank you. Those in favor of item number 1, please raise your hand? Those opposed? Those abstaining. Two abstentions, Zimmerman, troxclair, the rest voting aye with Garza off the dais. She was off the dais for the last one. Thank you for your work. Am I correct that the next item we have up here is waya, number 14 as we move through. Councilmembers, we had proposed some language to resolve this matter.

[11:47:35 AM]

We're still in conversations about that language. So I don't think it's ready for us to be able to handle -- I'll talk louder. I don't think this matter is ready for us to vote on here today. I think that there will be an ability for us to talk on Thursday and I would intend to post something on the bulletin board for the council either later today or tomorrow to let you know the course of the conversations that I'm handling. Ms. Houston, you will not be here later in the week. Did you want to address some of the issues related to waya? >> Houston: I do. And thank you so much for recognizing me for that. The last time we met about the west Austin youth association I think the mayor asked a question of legal about how are -- is the west Austin youth session and the decker lake proposal different or the same? And I think I remember correctly that the lawyers said that they were basically the same. The concern to me is the preferential treatment given to some organizations and not to others. It seems as though there are something about legacy agreement that that seem to be not as looked at as closely as newly requests for use of parklands and how those parklands are used to either produce revenue for the community or not produce revenue for the community. And so it's the concept of having special treatment for the group, although now I understand that sometimes it they may be non-profit and another group may not be -- as for profit. But the issue about revenue-generating and revenue coming back to the city is one that I think we need to have a conversation about as well.

[11:49:40 AM]

The association gets a lot of benefits from the city of Austin. They don't pay utility charges. The city takes over that. The city provides sanitation and park services that otherwise people pay for themselves. >> Mayor Adler: You're talking about the way Ms. >> Houston:. That agreement has some specialized agreements that no other entities has. And because it is a legacy agreement, how does one get to be a legacy agreement if you don't ever get to start? And so I think -- my comments today is just to make sure that everybody knows that I'm not against the west Austin youth association. I am for equity in how we do things and how we manage to [lapse in audio]. And get these special privileges and another group can't even apply for them. Since I won't be here on Thursday I just needed to make those comments. [Lapse in audio]. We say the city can terminate at any point without cause. This one doesn't have that kind of language in it. So they're really very different kinds of languages used and contracts that we have for both people who would like to build a golf course and those who would like to offer continued youth programming. I asked the last time we met for the list of 60 zip codes. I'm still waiting for that. Hopefully that will be posted and anything else, any of the other questions I'll put on the message board. >> Mayor Adler: That would be good. And the question that I had

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asked last time, and I appreciate the comments that you make, those are important considerations. I had asked with respect to the long-term lease whether there was legal any further discussion difference in a long-term lease at the way location and at decker and counsel advised us that they were not. They're not leases, they're use agreements or whatever they're called from a legal standpoint they're exactly the same. And so that that if someone had a reservation about doing a long-term use agreement [lapse in audio] And no other places for that reason, that for me I'll make a determination on that issue and then I'll stay consistent with that issue. The other things that you point out with respect to this agreement I think are true. There are -- the decker deal was something that the city could stop any time they wanted to. This one doesn't contain that same language and it does have exclusive rights for the association, but the association is doing great things with our kids. And kids from all over and we'll get that -- >> Houston: Maybe they're going great things for all of our kids. We don't know that yet. >> Mayor Adler: We need to see that. My reservation on this is we had a planning process that was coming up and until we actually went through the planning process which he'll accelerate next spring, I wanted the city to have flexibility with respect to how that worked. And just so you know and I'll post it on the board, I had asked for a little bit of flexibility on that issue. And I had proposed that I would support the long-term lease -- not lease, but use commitment here as I would for other parks where somebody was getting that in order to be able to raise money, significant sums of money to improve a at the

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same time that would be for the-- a facility that would be for the benefit of the community generally. And so I had asked for a little bit of flexibility in exchange for supporting the long-term use. And otherwise putting in language that made it real clear that we weren't changing, we weren't expanding or limiting whatever the rights were that were back in the 2013 document that the prior council had entered into. But it's -- in those lines the conversations that I'm having are continuing and I should be able to post something for people to look at later. Ms. Pool? >> Pool: Mr. Mayor, I appreciate everything that you're saying but I would like to point out two really important points and then we can move off the topic. One is that way is strictly not for profit. And the proposal for Decker Lake was a for-profit, was for-profit. It's a significant difference. And the other thing gets down to the fact that the Decker Lake original proposal was crafted in a way in my opinion to avoid having a public vote on the use of a for-profit entity on parkland, whether it has been used or developed as a park sufficiently over time or not. And it was staff's decision to call that the concession as opposed to a lease or something else. And that put it in a category where it does match up in the kind of an instrument that way is using and my position from the very beginning was it should never have been called a concession agreement to start because it wasn't one. So if you filter that out then I would agree that there should be more alignment between the two

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proposals. But the fact is that a choice was made at the staff level not to call it the lease and that put it -- that created the issue for us to have to address. >> Mayor Adler: I think that's true and I think going forward people that are watching us in any park, be it Long Park or otherwise, would probably be advised to structure their deals in such a way that the actual use of the park was a non-profit use and was available to the public. And I would imagine they could structure that deal in that way but that would provide additional protections for the citizens of the city. Ms. Gallo? >> Gallo: And I appreciate all the comments on this and certainly all the comments we've heard from way supporters and the neighborhoods. But I think one of the things that this has shown me is that we need to very quickly as part of this conversation look at the other agreements that are out there from the other stakeholders at Lamar Beach because we have Austin Pets Alive, we have the Y, we have the school district, we have Pressler Road transportation coming through. And given that there were a lot of questions and some assumptions that were made about the way agreement, use agreement, I think it would be really important quickly as we talk about all this to look at these other agreements also just to make sure there's not anything we need to be addressing there too. >> Mayor Adler: I think that's good. Finally I'll say -- I'll pass it over to Ms. Houston. The conversation about that equity issue that you had raised and

how these assets are used is something that we hope to have a significant community conversation on probably the second or third week in August with respect to looking at the equity and employment opportunities and jobs in east Austin on the dais when that decker thing had come back up the last time I said we were going to form a little working group just to kick off some issues

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and councilmember Houston and I have asked councilmembers troxclair and pool and Renteria to work with us to try and kick that off. There's going to be a meeting here in an hour of a few people that will start pointing toward trying to pull something together in August and everybody will be invited to participate in that meeting in August. Ms. Houston? >> Houston: Yes. I appreciate councilmember pool's comments. I just want to make note that even people who are called non-profit for profit do make profit. There's a membership fee to belong to the organization. They offer sponsorships. They sell and display concessions. They keep all of those funds. They're able to have sponsorship signage on fees -- on the fields and they operate several fields. It's not just this one. There are several exclusive fields that they're able to operate on. So although they are a not for profit they do make some money and I'm sure they put that back into the organization. But that again is a different way that we look at things and I hope that we will come to a point where one community is not denied access to some services because they're not a legacy agreement and they're not a non-profit. >> Mayor Adler: Got you. Without further discussion we'll pull this back up on Thursday. The next item that we have is item number 18, pulled by Gallo on the fun fun fun fest. This looks to me to be a resolution which is asking the parks to engage with fun fun

[11:59:48 AM]

fun fest to see what, if anything, can be worked out. Is there an update on this? I was tap dancing here a little bit. [Laughter] Trying to keep us going. [Lapse in audio] >> Casar: Assistant city manager, in the community. There are people out there with measuring tape, sorting out how it's all going to work right now. We're in a transition period it this will be the first year that everyone gets to enjoy the newly enrenovated Mathias shores so for now I think we don't have to take any action on the item. We'll leave it posted on Thursday's agenda. If for any reason there needs to be policy direction from the council. My understanding -- my expectation is that everything will be completely sorted out by this afternoon and we can deal with the drainage fee instead. >> Mayor Adler: Sounds good. Ms. Houston. >> Yes, before you all leave, what is the agreement with fun fun fun fest? Is this a lease agreement? >> Sara Hensley, director of parks and recreation. No. This is a rental of the park. They have -- for special events. This is through the office of special events with the city. >> Houston: How much is that rental agreement? >>

I'm going to get core are Cora up here because I don't know the exact figures. >> Assistant director -- >> Mayor Adler: Mic, please. >> Cora Wright, assistant director. The event will be taking place at auditorium shores and the event organizer will be required to pay a per-day

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rental fee for the use of that park. And those fees are applied, that include the setup time, the actual event dates and then the dates that the event organizer will dismantle for the event. And the amount -- I didn't bring the amount with me. I'm sorry. We can get that for you. >> Houston: Thank you. And it's per day? >> It's a per day. >> Gallo: The amount that's paid, you're going to come back to us for the number of days. >> Yes. >> Gallo: -- That the park would be closed off to citizens of Austin? >> Yes. >> Gallo: And fee waiver [lapse in audio] For this event? >> Yes, ma'am. >> Gallo: So there are not fee waivers associated with the street being closed off? >> They will pay all fees related to this event. >> Gallo: Okay. So we would not be asked for fee waivers? Perfect. We love that answer. Thank you. And you're going to come back with the days -- >> Casar: Eight days. >> Gallo: Eight days? I should have known that answer. One of the issues -- and this is the one that's -- it's normally first part of November, somewhere if that time frame. >> Yes, in November. >> Gallo: So I'm very involved with the settlement club for for many, many years has leased both the coliseum and when that was taken down the event center. And we had substantial issues last year with parking because the fun fest filled up the parking garage and as a result the people that were coming to the garage sale, that is a charity event and goes to fund a residential treatment facility for girls here in Austin, there were many people that put on next door and other -- and other public social media venues they turned around and left because they could not find parking. I think as part of this discussion we need to talk about the application and equity of parking, particularly because we have entities like the settlement

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club that actually pay a fee to use the facility. They had no idea that this was going to be an impact to their business, and it was. So when you come back with information as we address this, I think we need to understand that there are other users of of this area that this particular event is impacting. So that -- the parking issue, I think we need to address and figure out how to allocate that equity whether I between fun fest and users of both Parmer and I think that the was an issue with perhaps the opera going on in the evening, it was a mess, basically. Then we had the issue of the dog park. So I would like to know a bit better some of the history -- I know the dog park, the leash-free area was closed down for a long period of time as a result of this other festival that went on it it may be the same festival, there were improvements, and it was moved. I think the dog community has been very tolerant with all

of these changes so knowing a little bit of that history and also what the plan specifically is for that part of our population would be helpful too. Juke mayor? >> Mayor Adler: Mr. Casar. >> Casar: I think my intent was to not get into it just because it seems like all going to work out but I guess I will step back and give context for those that weren't able to catch this on the message board. So in the [lapse in audio] Periods that would be open year-round. However, there wasn't sort of a detailed schematic of exactly how that would work. So now that we're going to be having the newly renovated park, of course with any transition it seems like there were kinks about what exactly was intended and how exactly it would work so I placed this on the agenda for Thursday in case we had to give any additional policy direction besides what was already decided in December. The good news is it seems like

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we don't have to give any sort of additional direction because it -- it's year-round park access, the off-leash dog area and the the event space exactly as it was designated. But if for whatever reason as people go out with measuring sticks this afternoon, if there's any complication we can reconsider this issue. Would I urge to you watch the video. It's very interesting. As the council sorts this out, if you have any changes to that plan from what that council decided, then could you reopen this up purchase I just wanted to make sure we had a placeholder in case we had to redraw a little line for the dog park over here, redraw a line for the event space over here. We wouldn't -- you know, that this whole plan couldn't be kicked off not because staff was not given the flexibility by the council to make sure we had creative solutions for everyone. And to clarify the festival is a weekend festival [lapse in audio] I appreciate my cosponsors entertaining just a place holder in case staff needed the flexibility but my expectation is that we won't need to take any steps. Considering what we got on the Austin of Austin music consensus to protect our music scene I didn't want the festival to be potentially harmed because we necessity this transition period didn't create the opportunity to talk about it and give flexibility to staff if necessary. >> Mayor Adler: Thank you. Ms. Houston. >> Houston: Although this is not in district 1 I've gotten more calls and e-mails from people about -- in the zilker neighborhood and about the congestion that they experience, and so I don't know what the transportation plan is for that area. Zilker, Bouldin creek, that whole area that's impacted significantly by those things. Again, this is one of those specified legacy events that, as we call them. So I'd like a definition of

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what have a legacy event is and how I can get some of those. >> Just real quickly, councilmember, what we will do, we have -- we have bill meadow here but we go through communication plans, transportation plans, all of those things. We'll be happy to share those with you. And as councilmember

Casar said, we've been diligently working with the event organizers to come up with a solution that works for everyone involved, and we're happy to share that and we'll have that information and send this out through the media. >> Houston: Thank you. >> Mayor Adler: Thank you very much. [Lapse in audio] >> Mayor Adler: Ms. Gallo. >> Gallo: Once again, having a new fun event for a certain type of user but at the expense of an entity, a nonprofit that has used that facility for decades -- [lapse in audio] Of course we want them to buy as much as possible. So it did catch them really off-guard this last year and it's an issue that we need to deal with on these leases. So thank you. >> Tovo: I guess I would flag that as an item our parks force needs to take up. We need to make sure some of the biggest events aren't happening at the same time. It boggles the mind how that happened last year, given the discussion that's happened over the last few years about it. I don't know why they would be both allowed to schedule for the same weekend again this year. And I'm -- I know that we're trying not to talk about that today but let me submit that question as a q&a because I'm real curious about the answer. >> Mayor Adler: That sounds good. Did you -- you were -- identified to speak on this,

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David? >> Thank you, mayor. Mayor pro tem. My name is David king. I live in the zilker neighborhood. If you read this resolution you wouldn't get the point that they're really trying to talk using part of the off-leash areas. If we're going to bring resolutions forward it should be direct and clear what the purpose of that resolution is. We shouldn't have to infer from the wording what [lapse in audio] So I think we should have truth in our resolutions in the way they're worded so the public can clearly understand them. And, you know, the point about this using this off-leash area, it's going to set a precedent. Every other efficient that goes to auditorium shores is going to say they want this same treatment or it will be inequitable and unfair. So it's not just a decision about this one event we're talking about here. It's about every other event that will want to use that off-leash dog park area. So this to me does boil down to what are our values? Is it about a for-profit money-making event or is it about looking at the interests of all of our citizens for the use of our park land? And we talk about not having enough parking for these events going on. Now we're setting the stage for building more parking garages down there at auditorium shores that can only be paid for, guess, what by more and larger events. So I think we need to look at the larger policy issue about auditorium shores and what is the future of that. Is it an outdoor event center for for-profit events or is it parkland for park users? So it's not just letting this one event use a little more of the parkland that's for the off-leash dog area. In terms of fees, we already know that the fees -- I'm glad they're not asking for fee waivers and I'm not against them having this event there. They've had it there before.

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I'm not opposed to that. But it does have an impact on our neighborhood. Every time we have events there, parking, trash, noise, continuously through these events. So we do have to consider that impact. And then when it comes to the fees [lapse in audio] So we need to up those fees. And it's really convenient that these for-profit events get to use our public space at such low rates. If they had to go on the market to get that same kind of land, you bet their fees would be much higher. So we're talking about our budgets being strapped and we're having to cut here and there or make tough decisions. Then these for-profit events should pay going rates for the use of our public property. \$200 a day for a street closure? That's nothing. And what about the cost -- when we're -- what about [lapse in audio] Cost, opportunity costs of park users -- it's more than just about using a little bit of off-leash dog area, thank you. >> Mayor Adler: Thank you. >> Casar: Mr. Mayor, if I could just address some of that. >> Mayor Adler: Yes. >> Casar: The intention of the resolution is not to specify whether or not the off-leash dog area will be open or not because my understanding is the last council said there would be an off-leash dog area. There was a flex space that the last council designated as being specifically for fun fun fun fest with no other event except fun fun fun fest using that space. It sounds like now that the park is getting close to being fully developed the borders of that space -- bound Dr. Dictionaries of that space are unclear to how useable they are so parks department worked very hard with the event organizers to sort that out. If we need to clarify any of our position on Thursday we can do so. So there's no intent to just say that they can use the

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whole park and continue to use the entire -- the off-leash dog area as they used in past years. The intent of the resolution was to create some flexibility for our staff if we needed to redraw any boundaries and make sure that we still have the park now open during the fun fun fun fest period. But hopefully we won't have to do anything on Thursday. Then as far as what the appropriate fees are for events or how many events we should have during a year we do have the parkland events task force which should be handling those types of conversations and I look forward to hearing back. >> Mayor Adler: Thank you. Best as I can tell the last thing on our agenda now is the drainage fee. It's 12:15 do we want to continue on this last item until it's done? >> That would be my preservation, rather than moving. >> Mayor Adler: Do you want to tee this up then, Ms. Kitchen? >> Tovo: If we have just a minute, could you clarify for us, what of you -- what Thursday's plan is. >> Mayor Adler: Austin energy and best I can tell the things on Thursday's agenda other than [lapse in audio] We also have, I think, item number 7, which is a -- the cadet hiring issue we moved to Thursday, item number 7. It's number 8, which is the Austin energy pace global Siemens issue. And then I think we handled

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the front steps deal. [Lapse in] Mccullough was handled. Appointments that will go in [lapse in audio] >> Tovo: I thought we passed that this morning. >> Mayor Adler: We passed that one. That one is handled. You're right. So the fun fun fun fest, 18, potentially comes back. Waya potentially comes back. Crystal ray, did we handle that? We passed that. Then we have items that are referred from council, the drainage issue will be coming back. Increases the campaign finance issue which was posted. We're going to have a discussion about our appointees and process. And then red bluff will also be postponed so that won't be discussed. They're still working on that. So what I have on Thursday's agenda other than Austin energy is the contract issue, the new cadet hiring issue, the Siemens issue, the appointments, fun fun fun fest, waya, and drainage and campaign financing. >> Tovo: Thank you. I appreciate that recap. >> Mayor Adler: Okay. Now we'll go to drainage. >> Shhh I just -- I'll lay this out for my fellow committee members. I think what we can do today is lay out for y'all the issues that we've boiled this down to and the options. We don't have any language to go over today. We've talked about a couple of

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options, and we can lay those out and then we can put stuff on the message board between now and then. So I'll summarize -- how about I do this? I'll summarize the three options -- I mean, the three issues, and the -- the options we've talked about under each issue, and then we'll open it up for discussion. So as y'all recall, we did pass this on -- we passed the drainage -- the change in the drainage fee methodology, and that's what this is about, the methodology for the drainage fee. We passed that on first and second reading, and as part of of that public hearing process we identified some issues. So it's been working with the staff on seeing what options we have to address the issues. Let me say at the outset what we're dealing with now is methodology, not amount. In other words, the base rate and the actual amount [lapse in audio] The reason for that is because a change in methodology has to be programmed into the system, and that takes about 90 days. So first off -- so there are three issues. First issue was -- that was raised for us was affordability for certain populations, for example, populations that were on fixed incomes. And this was seniors. This was brought to our attention because the change in methodology does have an impact on some members of the community that's as much as 300% increase, so an increase from about \$9.80 a month to over \$30 a month for some people. So the question was how to deal with that. There were -- it's come down to two options that we've identified. I will just lay those out and we'll come back and discuss them because I don't think we have a final recommendation on those. But the options were, first, to consider some type of cap. And the purpose behind that

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would be to provide some sort of cap on how much people would be expected to pay. The reason is because either a 200% raise or a 300% rate from ten to 20 or ten to 30 can be significant for some individuals and it's all at once and they don't have any chance to do anything about it. So one option we're considering is a cap, and there's several ways that that can be handled from a methodology standpoint. Maybe as a percentage of the increase or maybe a flat amount. The second thing we talked about is tiers, the consideration of whether or not to just make [lapse in audio] Moving on to the second issue that was raised was the impact on green infrastructure. In other words the fact that the methodology doesn't account for types of green infrastructure that may or may not actually have an impact on drainage. And those come into play with the -- what traditionally has been done in terms of pawn discounts and also come into play in certain neighborhoods like the Mueller neighborhood where you have density and common features. So there's a couple of options for dealing with that. One that I'm proposing and one that the staff was proposing, the one that staff is proposing, again, we'll come back in more detail, relates to allowing combining certain properties for calculation of impervious cover, and then the one that I was going to suggest just relates to coming back in a year as part of the annual report to give the staff some more time to think about the impact on green infrastructure on drainage because we don't really have good data on that, to see if there might be options in the future floor. We'll come back to that. The third and final issue is

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the impact on renters and the concern that under this [lapse in audio] Would not be receiving a bill because under this methodology the bill goes to the apartment ordinary. So representatives who may traditionally in the past have been able to receive assistance on their utility bill through the cap program will no longer be able to do that because the cap program is a discount off a bill and they won't have a bill. So what we've talked about as potential to address those are other ways to help those -- let me back up. One of the concerns is that apartment owners may be passing through the cost of the drainage fee to renters without renters not having an opportunity to use the cap program. So two options that we've talked about there is the eligibility of renters for other types of assistance, either through the rental assistance fund or perhaps through -- there's a fund right now that helps pay for utility assistance. So that's the big picture. So shall we come back and talk about that first issue, which is the issue around affordability for certain populations and the large jump in this change in methodology, and what we've talked about is the potential for some type of cap, either percentage based or flat amount based or tiers. So before I go on anymore, in councilmember troxclair or councilmember Zimmerman want to add [lapse in audio] >> Troxclair: Clear that when we talking about a cap or tiers, obviously we haven't come to an agreement yet. >> Kitchen: Yes. >> Troxclair: But we're really just talking about phasing it in rather than done -- than a long-term cap thus far. So I just want to be clear on that. We're not saying cap in perpetuity. We're saying just to help people who are going to see significant increases in their drainage fee, we want to make

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sure that they're able to handle that in a phased-in way. So that is one thing we're needing to decide. The methodology is what we need to decide by Thursday. Again, so if we decide, for example, that we're only going to -- so, say, the drainage -- the fee -- [lapse in audio] Would be seeing an increase from \$10 to, let's say, \$30, we would cap it at 50% of that increase. So the minimum increase they could then see is half of \$20, which would be a \$20 total for this next year. So that's just an example. And what we would have to decide is, is that the -- is that a formula that we're happy with, and then once we get to budget, we can decide -- or later we can decide what that -- if it's 50%, if it's 40%, if it's 75%, you know, what that percentage is, but they just need to understand so that they can put -- so that they can start working on putting the formulas together, what we might do in regards to affordability for people to accommodate this. >> Zimmerman: Thank you Mr. Mayor. Thank you, councilmember kitchen. I concur. That's a well done layout there. Going back to this, the motivation originally was an issue of fairness that the fee needed to be based on some technical criteria like the impervious cover. So I think there's agreement here. In my view, we're kind of confronting the council right now, what we need to decide as a body is do we want to commit to making this happen in the time frame that I guess coincides with an appealed -- possible appeal date or some legal action based on a lawsuit. So -- and there's two sides of that. I'm not pressing the council

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or even recommending one way or the other. It's a decision that we need to make. So if we make the decision that we want this in place by, say, October, that time line, that means that that constrains some of our technical options in how we do the calculations. I think, for one thing, this complexity complexity of trying to compute green space and how green space could have an effect on your impervious cover percent gets to be very complicated because of the number of parcels we have and the complexity of doing that algorithm. So I think our decision kind of this week is really, are we committed to getting something in in October, and, if we are, it kind of limits the complexity of our algorithm for what we're going to do. [Lapse in audio] We have a proposal on the table I think will work, that's reasonable. And then we can do caps or tiers, but either one of those, you know, could be done in the October time frame. If we want something more sophisticated, it's not going to happen by October. >> Kitchen: Yeah. So that comes down to the green infrastructure issue really is the one that's so -- so complex that we can't really -- by that issue, I mean accounting for any kind of infrastructure on the property. Like rainwater harvesting, things like that. First off, if I'm understanding correctly, the science not clear on what that impact is on drainage and will there's a host of enforcement issues, apportionment issues, all kinds of things like that. So any comment on the affordability, the cap versus tier kind of question or of:

>> Casar: Just one brief question for either the me members or staff. So if we were to choose the example given by councilmember

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troxclair, where a homeowner's bill was going up from 10 to 30, it would go to 20 in the first year and 30 in the next year, that ten dollars -- we are still trying to achieve under this scenario sort of the same budget and so that additional \$10 that would not be charged there would -- is there some way it would functionally work such that those who were seeing reduction in their bill would only see -- I guess it probably still mathematically wouldn't make sense, those who would see a reduction would only see half, but I guess there's so many categories and classes it wouldn't work out that cleanly. I guess give me a broad overview what have we think the impact would be to those who were not hearing the cap if the cap were in that style. >> Kitchen: Let me speak to that. Basically as part of the budget process we'll be obviously working with watershed protection on what the total dollar amount is that has to be raised with the drainage fee. So of course if, you know, we input this methodology in place and we have a cap for some, then the amount that would have been raised has to be spread across everybody else. So it would -- you know, I don't know if you -- if the staff would like to speak to that anymore. I mean, we can get calculations from the staff once we decide on a number as part of the budget process. >> Troxclair: Well, I just want to add something else. >> Kitchen: Sure. >> Troxclair: Before staff responds. >> Kitchen: Okay. >> Troxclair: If we are -- that's true if we decided that the revenue that we -- >> Kitchen: Yes. >> Troxclair: -- Want to bring in from the drainage fee is the same under what staff is proposing. >> Kitchen: That's correct. >> Troxclair: So, for example, we could find -- we could -- I mean, it will be about a million -- I think under that example, it will be about a million dollars if we do not -- if we still make sure that the people who are going to see a decrease in their bill see the full decrease immediately, then we'd be

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looking at about a million dollars there. >> Casar: So we either collect a million necessary revenue -- >> Troxclair: Or phase it in for them too. Some people might see -- if we decided to keep the route same, some people may see a phased in approach to their decrease as well gnaw would be a conversation we could have -- but that would be a conversation we could have during the budget and we'd hear from watershed staff on what their budget looks like and whether or not it's feasible to find that money. I also want to say before y'all respond I really appreciate, they have done an amazing job. We've met probably, what, four or five times about this now. It's an incredibly complicated issue and y'all have done a great job of really trying to make sure we understand all the technicalities and I think you've been really consistent in the methodology that you're want to go take and the reasoning behind what

you're proposing. So I just really appreciate all your work on this. I know it's been time consuming. >> Mayor Adler: While you're thanking them I want to thank the committee and you too for doing this. This is classic on how this process is supposed to be working. And when several of us pick up that mantle for the rest of us, the rest of us truly appreciate it and I think we all work for efficiently. So thank you. >> Kitchen: I have to brag on their scatter lot plot. I don't know what you call that. It's just an amazing analysis of the impact on people throughout the -- so if anyone wants to dig into the details, I'm sure they'd make that available but it was beautiful, if you can call graphics beautiful. >> You can. [Laughter] >> Mayor Adler: Mr. Renteria? >> Renteria: No. I have a big concern about the drainage fee. You know, this is -- you know, I was on the board when we created this, and my big concern back there was just the \$3.25 they were going to add onto the utility bill,

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whether our citizens were going to be able to afford. You know, we knew the infrastructure that the inner city couldn't meet, you know, the water -- in the watershed, which is -- it was so old and it was flooding and all the -- we didn't have retention ponds back then, filtration ponds back then either. And, you know, I went along with it because we knew that we had built the infrastructures to do the the retention and stop the -- all the pollutions and everything else going into our town Lakes. But, you know, as this utility has really expanded. Now we're looking at even doubling the costs to our utility users and I'm really concerned because, you know, we're going to increase in the next -- in the next five years we're going to double that. We're going to double waste collection. I mean, just it's adding on and onto our utility bill, and, you know, everybody calls it the electric bill but that's not really what we're really doing. We're adding the cost to these people that are barely struggling and surviving in this town. You know, that's adding onto the cost of living in this town. And it's very unfortunate that, you know, we can't finance some of these big projects through capital improvement programs. You know, the -- that the taxpayers, you know, through bonds that we can vote on. You know, this is very unfortunate, you know. One of my biggest concerns and even I ran on my campaign that we were really going to take a real good look at the drainage fee to see if we could really reduce it and give our ratepayers a break because, you know, I know they're saying here they're cutting the electricity bill off

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because I can't make the payment, I'm struggling or I'm cutting back a lot. You know, drainage fees, that's one thing people can't cut back on. This is something that it's a cost to them, you know, and, you know, we can cut back on electricity. We can cut back on watering our yards. You know, we can do these little things, but to -- to reduce our utility bills but, you know, we're adding costs now that just -- they

can't do. You know, I have a water -- two water barrels and will I divert my hose to my yard every time it rains so that, you know, it doesn't go out and run off into the street. But it just -- it's a real struggle for me to be supporting a drainage increase knowing that -- how it's going to affect my district. So I just wanted to let the people out there know that [lapse in audio] The people out there in the creeks that are flooding, I mean William creek, we have so many -- we have over 1500 houses that are in the 25-year flooding. So, you know, this is going to -- it's really going to Schmidt it's a sacrifice that -- hurt and it's a sacrifice we're doing to help people but I really wish that, you know -- and I know that now we're not -- we don't have the control because we have development going all the way around us and, you know, dripping springs, we have areas in -- you know, towns that all over. Bee cave. There's just a lot of development outside our control, which is causing us to have to spend a lot of money on fixing the flooding problems that we have. So I just want to let you know that, you know, I won't be able to support this.

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I mean, there's just something about the drain fee that I feel responsible for supporting it in the beginning. And with them at that time telling me that that's all that was going to be needed to take care of all our problems, and now it has just increased so much. So -- but that's just my position. >> Mayor Adler: Ms. Kitchen. >> Kitchen: I think those are good points. There's two things would I say about that. I maybe -- I'd maybe ask the staff to think of. One is the infrastructure costs because you're right if I'm understanding correctly, what we're building into paying for with the drainage fee is a lot of infrastructure costs. So maybe we can challenge towels see what we can do working with the department on addressing those infrastructure costs in other ways. And maybe y'all would want to speak to the percentage of your budget that's infrastructure costs. And the second thing is, we are lowering the fee for some people. So maybe you could speak to that. And, councilmember Renteria, I'm sure you're concerned about single family homes more so than renters, but some of the single family homes, if I'm understanding correctly, it's maybe 40% of them or so, or lower, so maybe you can speak to that. >> Certainly. >> Zimmerman: Before you do I want to call your attention in the backup materials there's a bar graph here that's showing multi-family, let's see, multi-family is here, and you can see the huge number of multi-family fees that are lowered. >> Kitchen: Yeah. >> Zimmerman: And there are very few, I think it's 12% see some increase, but 88% are decreasing. And the single family, here's kind of the distribution of -- some of the single family are actually getting lower rates, but most of them are getting higher. So this kind of quantifies it. >> Watershed protection. Yeah, to speak to the concern about the shift on single

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family, overall the rate restructure is not increasing watershed's total budget amount. So it's a revenue neutral change. For single family on average, we've computed that the average single family will see an increase, but when you look at house by house, it's perhaps about 60/40, so that's 60% of the single family homes would see an increase, about 40 would see a decrease. And it's proportionate to their impervious cover. So those smaller homes, smaller lots, generally speaking, would see a decrease. And the larger homes, larger lots, would see an increase. >> Kitchen: ING and that level of detail is available. So if any -- I think many of the councilmembers would like to have a better understanding of that. I'm sure y'all could share that. >> Surely, that scatter plot y'all multiplicationed shows pretty much the whole spread. >> Kitchen: Yeah, it does. If you're trying to get an idea for your district, that's a good way to look at it. >> Troxclair: Councilmember Renteria, I also wanted to point out that there will be an opportunity -- again, we're not setting the rate here. We're just adopting the formula. I would be happy to work with you during the budget process because we can have conversations about whether or not the rate is an appropriate rate, what that money is being spent on if there are some ways to move some money around, we could lower -- we could lower the overall drainage charge. >> Kitchen: Yeah. >> Troxclair: You know? So I just wanted to let you know that even if we pass this, that opportunity will happen in the budget for us to talk about whether or not we can reduce, you know, the cost of this overall. >> Renteria: I really appreciate that. And I understand. You know, it's a -- it's really difficult for me to, you know -- knowing that, you know -- it's a problem that's beyond our control. I know that it has to be financed one way or the other. It's just -- it's very hard for me. >> Mayor Adler: Okay. Ms. Houston. >> Houston: May I ask staff a question? Multi-family housing in the backup you give an example of

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where the current charge is \$9.80 and then the potential charge is \$2.80. Can you help me understand how that happened? I mean, that's a pretty significant decrease. >> Sure. Are you referring to the backup from the responses to the message board questions? >> Houston: Yes. >> Okay. >> Houston: Mine is on the back of the affordability impact statement. >> Oh, on the affordability impact statement, okay. On that one, I believe there was a group of specific houses or specific examples that were being looked at rather than the whole class average. >> Houston: Okay. So what does whole class average look like? That's a significant decrease in -- from what they're paying now. And the other one was \$9.80 and it's potential charge is \$5.70. >> Right. The class average for multi-family kind of looking at it in two pieces, there's the folks that are six stories and lower. They're currently getting charged \$9.80. Then there's multi-family residences four stories and higher, currently getting charged \$4.90. There's two changes. The 9.80 folks on multi-family in general will go down to 6.20 on average perhaps, and the 4.90 folks could go down to below \$2 on average since there's a lot of high-rise buildings, a lot of people stacked up for a footprint. That was in the backup in response to the message board questions. >> Houston: Yeah, basically -- >> Yeah, basically the fee is proportional to the contribution of runoff from a piece of property. So when more multi-family, a lot of times are multistories. So for the same impervious cover, for the same piece of concrete, it's basically shared by several different

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stories. The people. So it's basically divided. If it's a six stories, it's be divided by six. Sop that's why the rate dropped a lot. >> Houston: So perhaps impervious cover does not fit for all structures? >> Say that again? >> Zimmerman: Say that again. >> Houston: The impervious cover may not fit for all structures if the six stories and above are getting such a dramatic increase because of the density, upward density and right now they're not complaining about whatever the \$9.80 charge is -- >> Zimmerman: They are. >> Up -- >> Houston: I'm asking a question, councilmember. >> Zimmerman: Sorry. >> Houston: Could you wait until I get there? >> Mayor Adler: Hang on. >> Houston: And then the people who are in -- who have traditionally been in single family homes before density became such a deal, they're getting penalized is my view of it. >> I wouldn't say that they get penalized, per Se. >> Houston: I say "Penalized" because their fees are going up because they happen to live back in Austin during a time when this it T was okay to have -- when it was okay to have a middle-sized house. And so now that we've changed what the criteria should look like for housing, based upon impervious cover, and they don't live in [lapse in audio] Into being get to pay less. >> Mayor Adler: So part of the issue we have -- and you might want to speak to this, is that we're constrained on how we can charge that fee. Because the statute says that the fee can't be adjusted on the basis of need or equity. The sole criteria that can be used is how does your living

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unit contribute to runoff. That's the only thing they can take into account. So these folks have used how much impervious cover is associated with your living unit to come up with the equation that adjusts that. So part of the reason that we got here was because when we did that, it was done without equity [lapse in audio] The push has been the law doesn't really let us do that so that's why they're drilling down to do it in different ways, and that's why they're talking about phasing it in and the like. Is that right. >> Kitchen: Yes. >> Mayor Adler: That right? >> Kitchen: Correct. Basically if I've got this right, the legal challenge -- the move is to go back towards the drainage fee relating from -- with some data background to drainage impact. So and you guys can describe that better. So -- >> Zimmerman: Mr. Mayor, if I could, the genesis, right, was councilmember Houston, the people in the apartment buildings, they're sharing one piece of impervious cover, right? So you have many, many people stacked on top of each other and they're all sharing one piece of impervious cover and they said -- and authenticator. They said it's not fair for us to be charged the same fee as my house, I'm one person, you know, on one piece of impervious cover if they said that's not fair, and authenticator. And they're right. So that's kind of the basis. So the unfortunate nature is because the apartment dwellers will be subsidizing the budget basically of watershed, they're saying we want relief now and they're getting relief, but now the

homeowners who have this single pieces of improve, now we're getting hit harder because we've been subsidized by the apartment people for so many years. >> Mayor Adler: Anything further on this to discuss. >> Casar: I did have a couple questions related to other topics we didn't get to.

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>> Kitchen: Go ahead. >> Casar: Thank you for the really thorough responses to the questions summarized on the message board. My understanding on not the cap on how much we're going to pay but the customer assistance program, I think from reading this that you're saying that there's \$774,000 per year claimed from the drainage -- customer assistance program. Is that correct? >> Yeah, that's roughly, correct, yes. >> Casar: If we go forward with billing multi-family property owners rather than individuals living in those multi-family units of there will be some number that cannot claim that \$774,000 but some of it will be claimed by lower income folks that live in single family housing or duplexes? >> That's right. I think the number is about 4,000 or so approximately multi-family folks that wouldn't be eligible but we'd fully expect there would be a replacement amount of single family folks that would be able to qualify to meet that. >> Casar: So the dollar amount -- do we know what the dollar amount is of that \$774,000 that would be essentially transferred from customer assistance program residents and multi-family over to new customer assistance program residents in single family. >> Roughly estimating it would be 4,000 times half of \$10, so 4,000 times \$5. >> Casar: So \$20,000? >> Yeah, I think that's right. A month, a month, thank you. Yes. >> Casar: So \$20,000 a month that comes out, times 12 -- sorry, [lapse in audio] >> 240. [Laughter] >> Casar: So, okay. Just one thing that I will chew on then between now and Thursday is that \$270,000 I -- 240,000 do I understand there could be benefit to expanding it in single family or duplexes because there will be a higher drainage fees with discounts so perhaps those people might need the discounts more.

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And so I hadn't thought of it that way until we were just discussing it so I think that maybe the way I go. I want to think about with those \$240,000 what the best home for them is. It sounds like what y'all are anticipating may actually be the best home for it since a lower income person living in a duplex may see a higher bill and actually may need the program more than a lower income person in a multi-family property. But it's something I'm going to think about for the next two days and I will come back on Thursday. My very last question is have we anticipated what the cost might be if we wanted to move to - if we wanted to have the drainage fee assessed on the overall utility bill even in multi-family, exactly how -- maybe not exactly, but just generally how complex and expensive doing that would be? >> So seeing if we could bill the multi-family tenants directly -- >> Casar: If we wanted to do that about how

complex and expensive might something like that be? >> Yeah, I believe -- I think it was the April 30 memo went into some detail of how much additional staff effort it would take. Right now we're doing essentially that for commercial properties properties, where instead of billing the commercialises we're billing the tenants paying individual utility bills. The you difficult and effort everyday is figuring out the apportionment of interior square footage folks have and a portion of their parking area and exterior square footage and trying to figure out how that applies to the entire property as a whole. We have that same dilemma with multi-family, although with a couple hundred thousand accounts rather than tens of thousands of accounts. >> Casar: I understand. I'll tear through that April 30 memo and just let everybody know here that I'm still inclined to moving forward with the recommendation as laid out by councilmember kitchen on this item as well, but I will look through it and if -- if I feel really compelled that the cost

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is worth it, I'll touch base with y'all, figure out what that impact might be on the drainage fee across the city we wanted to move forward with that additional staffing to do that. I'll weigh that but I want to given everybody due notice there's some chance that may be where I come out on this. But right now I'm inclined to move forward with the way y'all have suggested. Thank you all for the really hard work on this. It's really important. >> Mayor Adler: Thank you. >> Kitchen: One thing related to that, real quickly, is -- so does that mean that for apartments, for example, multi-family apartments, would you have a scores of data where -- source of data would you know the square footage of the apartment or would it be difficult getting that data. >> We would have to get that directly from the property managers or owners. >> Kitchen: Okay, all right. >> Mayor Adler: Okay? I think that's all the business we have. It is 1:12 -- 12:50. We'll stand adjourned until Thursday. Next meeting. [Meeting adjourned]