

City Council Work Session Transcript – 12/15/2015

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>> Mayor Adler: Are we ready to go ahead and start? I think we have a quorum. We're going to call to order the work session here on Tuesday, December 15th. It is 9:15. We have a couple of briefings that we have to be able to go through. We have some items that we're going to consider in executive session. And then we have items that have been pulled. I think the feedback we've gotten everybody as a council liked the time certain when we were cutting this off so it didn't bleed into the balance of Tuesday, so we're going to shoot to work and then break at noon for lunch, having ended our public portion of the meeting, go do executive session over lunch and then people can leave and I'll come back out or someone will come back out and end the meeting. We have a couple of briefings to discuss. And I don't know the degree to which we need to spend a lot of time on these. But let's call these up. >> Houston: Excuse me. Mayor, are the briefings we need to take up today or are there other times they can be taken up. Since we have a time certain, some of these items look like they'll generate some discussion. >> Mayor Adler: Let's talk about them first. I think that's a good point, Ms. Houston. We have briefings on the cost of service study and rate review. We have a briefing on pud zoning process. We have a council discussion about committees, the transition committee. And we have a discussion regarding how we do sunset

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reduce or departmental reduce question. I guess we could figure out what the scope or timing associated with these are. With respect to the last one I don't think there will be a very long conversation in that. My recommendation is going to be that we identify the issues here so that we know where we are and then form a working group. There's a proposal or suggestion from the manager. There's some questions that I asked that were posted and then corrie, the auditor, also has a layout for us on one way that might happen. I think we have to figure out exactly what it is that we want that process to give to us. It's going to be my suggestion to the council that we form a working group that would consist of me and the mayor pro tem, both as mayor pro tem and as chair of the audit committee. And that we form a working group with us and with corrie and with the manager so that we can come back to -- so that the mayor pro tem and I can come back to the council with a recommendation on how to handle that at our first meeting when we come back in January. So I think that that's probably just a couple minute, five-minute, 10-minute laying out the issue and giving people a chance to comment on that. Have the manager an opportunity to be able to say something. The discussion about transition committee is something I think that will be relative short that you're laying out, the time on that. Is there anything to be done on that? >> We can actually forego that, this meeting

and do that in January. >> Kitchen: Give people a status report? We can do that. >> Mayor Adler: In fact, that's short, so why don't you do that real fast. >> Kitchen: Okay. The transition committee is

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continuing to meet. We've moved to monthly meetings. What we are working on is a report that wraps up all the various issues that we've been discussing at the request of the full council. And we intend to bring that back. Our target now is to bring that back in January. And it covers a whole range of issues. The broader issues about how we're operating as committees and all the way down to the details of, you know, suggestions around common posting language and things like that. So it's a large agenda item to talk through. It will also incorporate -- it may not incorporate, it depends on the timeline, but we'll also be hearing a status from the community engagement task force. So that's where we're at. I will go ahead and post the various issues in the form of the outline of the report that we're working on so you can have an idea of what we're working towards, but that's a large item and I think we need the additional time to take it up after -- in January. >> Mayor Adler: Okay. Any questions on that status report? All right, thanks. How long is the briefing on the cost of service study and the rate review? >> No more than 30 minutes. >> Mayor Adler: Okay. What about the briefing on the planned unit development zoning process? >> [Inaudible]. >> Mayor Adler: About 10 minutes or so? Okay. What's the council's pleasure on that? It seems to me we have probably about an hour's worth of briefings and discussion items. That would get us to 10:15.

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That would leave us about an hour and 45 minutes to handle items before noon. Ms. Kitchen? >> Kitchen: I would like to hear the briefing items and then take up the other items. >> Houston: We didn't talk about how long d-2 was going to be. >> Mayor Adler: About 10, 15 minutes. Oh, it's the pud. Which one did you ask about? >> Houston: D-2? >> Mayor Adler: My guess is it's probably five, 10 minutes because we're not going to make any decisions today, just outline the issues and give people a chance to comment. >> Tovo: Mature, were you -- I don't seem to have an agenda in front. Were we doing the items of council first or the briefings? >> Mayor Adler: The pulled items, that was the question I asked and Ms. Kitchen suggested that we go straight into the briefings and discussion items and then we'll do the pulled items? >> Kitchen: The reason I suggested that is it sounds to me like they were -- just from my perspective they are things I want to hear and they sounded like they were relative quick. That's why I thought that. >> Mayor Adler: So without objection -- >> Tovo: I'm okay with that, but could we have an expectation of when we're going to move to the pulled items? Because I'd hate to have the entire time taken up with the briefings. >> Mayor Adler: I think so. We'll time it consistent with what we just heard. >> Tovo: Just some sense of when we're going to have. >> Mayor Adler: Let's go to the cost of study, rate review deal. We'll put 30 minutes on this until 10 of 10:00. I would say go through quickly, but obviously clearly so as to leave some time for questions. >> Morning, I'm mark Dreyfus --. Good morning, I'm mark Dreyfus, vice-president for

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regulatory affairs at Austin energy. I'm joined by mark Dombroski, soon to be general manager of Austin energy. >> Mayor Adler: Could you give us some more volume on his microphone? >> We're pleased to be here to continue this conversation about the next step in Austin energy's electric rate development. First I just want to be clear that there is some really good news here in our cost of service study and we are pleased to share that news with you. But there are also some challenges revealed and those

challenges are not new. Collectively we have to grapple with those challenges in order to ensure that we meet the goals that the council has set for Austin energy and maintain our long run financial stability. We began work on this cost of service study over a year ago when the council approved consulting contracts for us. That consultant has performed a number of studies. The first is the small customer demand study that we discussed quite a bit this summer when you changed the policy on classification of small commercial customers. We've conducted a study on the optimal level of reserves for the utility. An engineering study on the cost to decommission the decker power plant and a benchmarking study on the cost to decommission the fayette power plant. You've also approved the independent hearings examiner who will hear the proceeding. Our current schedule, we're briefing you today on our initial conclusions. We plan a fuller briefing at the council committee on Austin energy meeting on January 28th. And then the proceeding will shift to the form for the independent impartial hearings examiner whose results are anticipated to

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be back to you with recommendations at the end of April and then we are trying to put a hold on three council work sessions in may and two public hearings in June, giving you the opportunity to complete your deliberations and set final rates by the end of June. And then that will allow those rates to flow in to the budget process this summer. As I've mentioned to you before there are three key steps in our cost of service study. The first is the development of the revenue requirement. That is the total cost for operating the utility and thus the amount of revenue we need to collect. We do that by looking at a standardized year, which in this case is 2014. And this is mostly an exercise in fact development with a little bit of judgment. The second phase of the study is cost allocation and that is where we take the total revenue requirement and allocate those costs across all of the different classes of customers, residential, small commercial, mid commercial, et cetera. This is a very key part of our rate review and one that the public will have a lot of opinions on. So there is some judgment in this. And then once the methods are selected this is the again a factual issue. My briefing today is on on the cost allocation. Rate design is the third part of our cost of service study. That involves a lot more judgment because we then set rates to collect the amount of revenue we need to collect and to foster the goals that the council has set for the utility and to ensure long run financial stability for the utility. We'll be sharing our rate design recommendations with you in January. Again Austin energy's objectives in this proceeding are first to have a fully transparent process to ensure that the process and the rates adopted are fair for all customers.

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To continue our focus on affordability. We will adhere to applicable state and local laws and policies, and in the end we must sustain the long-term financial health of the utility. And in setting off to do that we are guided by policies of the council and those include our two-part affordability goal. The first part of that goal is that our rates should increase by no more than two percent per year. And the second part of that goal is the competitiveness goal and that is that our rates across the board be less than 50 percent of the market as a whole. And I will tell you, Mr. Dombroski has some data to present later, that we are challenged to meet our competitiveness goal in the commercial and industrial market segments right now. We are also guided by the Austin energy strategic plan, the climate protection plan adopted by the council in 2007 and the most recent Austin energy resource generation plan to 2025. And by the financial policies of the city and the 2012 rate ordinance adopted by the council. I mention that there's some good news in this story and here's the first piece of the good news. And that is in 2012 we set out for our first rate review in 17 years and during that review it was clearly documented that we faced

financial struggles. The utility had declining reserves. We had significant especially balances among our customer -- imbalances among our customer classes and our rate structures were not aligned with the strategic posture for Austin energy. Our rates didn't really have the structure. We presented a restructuring of the rates and we presented our revenue requirement and cost allocation and in the end

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the council did approve those in the 2012 rate ordinance. That case was appealed to the public utility commission and in the end we had a successful settlement of that case where the utility was able to raise \$66 million in annual revenue. And we sustained in that settlement the realignment of our cost structures and the other embedded policies that were put into rates. And we are pleased to share that we have made significant progress in restoring the financial health of Austin energy and that is great news for everyone. But as I mentioned there are challenges remaining. The challenges often go by the term the new business model challenge. And I'm not sure that everyone has a common understanding of what that means. So for us I've tried to summarize this into three areas and then one pithy statement. And the areas that summarize the businesses model challenge that are interconnected are these. First we're seeing changes in our community. You have only to look out the windows here to see that we are becoming increasingly urbanized and I saw a report on the city's website just yesterday that said that for the first time ever this fall there are more multi-family dwellings in this community than single-family dwellings. So our community is changing to smaller, more urbanized housing stock. There's also changes going on in the electric utility industry. We all know about the expansion of distributed energy and solar. Energy efficiency across the industry, federal state and local building codes. The advances in allowing customers to manage their own load and anticipate in markets and the emergence of electric vehicles. And these changes are very relative to our own energy

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goals. For years Austin energy has been a leader in energy efficiency. We are pursuing and supporting the Austin climate protection plan and our resource and generation plan to 2025, which is a very forward thinking plan that separates us from many entities across the country. So I tried to summarize this challenge. The long run revenue disability challenge that comes out of this in one pithy statement, and that is on your slide, and that is that our public is on a path to less use energy. Our public is on a path to use less energy, but demand for public infrastructure to deliver reliable service and support modernized systems is unabated. So we're using less energy but our infrastructure needs are unchanged and may be even growing. The evidence to support this, and Mr. Dom brow ski has some charts if I don't go on too long, is that average residential customer usage in our community is declining while we have continued residential customer growth. So average usage is declining, but more residential customers. And our needs for infrastructure remain strong and we have presentation upon presentation that we could share with you to explain the projects and the challenges of expanding our infrastructure for the new energy economy. And that leads to the economy how do we fund the infrastructure. That is the key question in our mind in this cost of service study. How do we fund that infrastructure. And this is an issue that forward thinking utilities like us across the country are grappling with. This is not just Austin energy. And our study shows that our

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residential infrastructure cost recovery is on an unsustainable path. We call infrastructure costs, fixed costs. Those are things that don't change with the amount of energy you use, like the cost for running

our call center don't change whether you use a lot of energy or a little energy. The need for a transformer on the pole outside your house doesn't change whether you use a little energy or a lot of energy. Those are fixed costs. But we don't collect those fixed costs in a fixed way. We still rely on energy, on usage to recover the costs of those fixed resources. And so we rely on hot weather and high usage to recover the costs of our infrastructure. That's part of our tiered structure. We rely on the fourth and fifth tier in order to recover those costs. This is inconsistent with our community goals to use less energy and it means that we have insufficient recovery of our fixed costs and we're on an unsustainable path. In the commercial sector we are not in -- we are not faced with as big a challenge today but the risk is significant in the future because we have demand charges for commercial customers to recover these fixed costs. They are more stable, but if you think about the fall in the cost of solar power and the possibility that big boxes across the city will be covered with solar panels then we know that fixed cost recovery is a challenge in the commercial sector as well. So now we're on to the preliminary conclusions of the cost of service study and again let me start with the really good news. And that is our financial recovery means that we're collecting sufficient revenue that we believe that we can pass back \$17 million in base rate revenue back to our customers or a reduction in our revenue requirement

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of \$17 million, which is 2.7% of base revenues and base is everything that's operations and maintenance and infrastructure and capital and debt recovery. And not the pass-through charges like the fuel charge, the power supply adjustment. That 2.7% of base revenues is a 1.4% decline in reduction in our total revenues. And as well later in the year we believe that there will be additional reductions in the regulatory charge and the power supply adjustment, you reduce the power supply adjustment last year as well and those are -- projections show those will be reduced and we will update you during the course of the year on those projections. And those changes we will adopt in next year's budget. So there will be a greater than 1.4% decrease in total revenues. Again there are challenges. We know our commercial and industrial rates are above the competitiveness goal, but for the second year in a row we will be reducing the costs, reducing the rates for the customers, moving us closer to that goal. And then we know that customer class allocation imbalances have improved since the 2012 rates, but continue to be challenged. We made progress in 2009 in aligning our revenues with the cost of service. But commercial and industrial customers continue to subsidize the residential class. And here's what this looks like. So this chart shows you the percent deviation of each customer class from being received exactly at its cost of service. So the zero percent line on the horizontal axis means that a customer case is served exactly at cost of service. Austin energy as a whole is

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\$17 million above cost of service. That is money that we can pass back to our customers. But as you can see the residential customer class is \$56 million below cost of service. The small commercial customers are at about cost of service and other commercial and industrial customers are well above cost of service and most particularly that mid size secondary class. And I gave you a handy dandy cheat sheet that allows you to see kind of what types of customers we're talking about in each one of those customer classes so those are mid size customers, restaurants, grocery stores, offices. And this is our challenge. We have \$17 million to give back to our customers, but our imbalance is greater than -- is far greater than that \$17 million. And this is the issue that I think will involve the greatest discussion and the need for creative solutions as we go into our more formal process later this year. And we're really looking forward to having that discussion with our customers of all types and we know we'll have many

different opinions on that. Now I'm going to turn it over to mark dom brow ski who has more on the specific issues that we can drill down into. >> Good morning, mayor, council. The information I will refer is reiterate some of the remarks that mark made. I'll be glad to follow up with any questions that you or your staff might have. The first point I want to show here this chart shows our cash and reserve balances going back to 2010. As you know, we had a rate review implemented in 2013. Our cash balances have continue to grow since that

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point, restoring our financial health. The line on the chart shows what our target is according to our financial policies that are approved each year during the budget. We continue to have healthy balances and this is how we manage our two percent affordability goal. And so in order to pay the bills when our rates don't support it we use the cash and when we have head room to replace rates we replenish that cats. Currently we have about 38% of that cash balance that will be returned to rate payers via decreased rates that you approved in the 2016 budget. >> And I would just add that in the revenue requirement that we are proposing to you, one of the policy inputs that we have made in that revenue requirement is that we are proposing to collect about \$30 million a year for reserves. 11 million a year would be to replenish our cash reserves and 19 million a year will be money set aside for the future decommissioning of the decker power plant and the fayette power plant. \$30 million total and for the decommissioning of the power plants. >> We anticipate at the end of this fiscal year to have the emergency and contingency fund fully finished and begin funding renewal and replacement fund. We have no designated funds going to the rate stabilization fund at this time. So the next area I want to cover is our competitiveness, which as you know is a part of our affordability goal. We're directed to try to maintain rates in the lower 50% of all Texas utilities. The chart I'm showing you here is the average system rate, the dark line is Austin energy and the dotted line is all Texas utilities. As you can see historically we have been at or well

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below the Texas average until 2012 when conditions changed and Austin energy is now slightly above the Texas average. The last data point we have here is 2014. This data lags by about a year. It comes out about a year after the end of the calendar year. And we have no reason to believe 2014 is much different than what we're seeing there for '15 -- for 14. >> Mayor Adler: Hold on one second. Ms. Pool? >> Pool: I just have a question. On the chart if you are averaging all of the utilities throughout the state, but then giving an actual number for the city, that's an interesting comparison, but it doesn't really give us a sense for how -- what the gaps are between us and maybe a competitor that might be next door to us. Do you have a graph like that that breaks out all of the other utilities rates so that we can see where we are in relation to specific entities, and not just an average. >> Sure. This data, the way it's calculated is they take the total retail revenue that the utility earns and you divide it by the total number of kilowatt hours that are delivered to get that average rate. And of course we have every utility in Texas in this data set so I can pull out specific utilities for each year and do a comparison. >> Pool: Okay. >> I'd be glad to do that for you. >> Pool: Because the average for all of the utilities is smoothed to the extent that it's an average, right? >> That's correct. >> Pool: You've reduced the highs and the lows on that one. >> That's correct. They're going to be extreme Numbers across the board on both sides. And of course, it's different for residential, commercial and industrial rates as well. So on average our residential rates are slightly below the state average while the industrial rates are above the state

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average. >> But we present this particular treatment because our competitiveness goal is to be in the lower 50% of rates in the states and we've grappled with what that means for many years now and this we believe is the best representation to determine whether or not we are in the lower 50%. We are for residential, but we are not for commercial and industrial and not across the board. >> Pool: The other aspect of that that we've been grappling with as well is the cost of service and the slides earlier talked about how we're not actually recouping the cost of service in future years, right? Is that the same for residential and commercial? >> Our rates are set so that we are recovering our cost of service. In fact, for our test year we can actually reduce our revenue requirements and still meet the cost of service. The issue is are we recovering those revenues from the classes of customers that are creating those costs and that's what we want to rebalance and realign. >> Pool: Right, which was the essence of my question. >> Troxclair: Can we get a comparison to other municipal -- >> Garza: Can we get a compare soon to other municipality owned utilities. Is San Antonio the other one? >> There probably more than 60 municipally owned utilities in Texas. And some of them do not own their own generation. There's a handful of us that own our own generation of our size. That would be obviously San Antonio, Garland, Lubbock. There's a few others. Many of them are very small utilities that just own the wires. And some also provide the extra power. >> We'll put together a comparison and provide that to you. >> Garza: To ones that are more like us. Thank you. >> Casar: Do we have written down somewhere if our competitiveness goal is to be in the bottom 50% of rates in a graph like this or to be in the bottom 50% of rates for all customer classes? Do we have that defined somewhere just so that we're

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all on the same page? I've never actually asked that question. >> It was memorialized in both the minutes to a council meeting in 2011 and I don't remember word for word, but basically it says that Austin energy is to remain in the lower 50% of all Texas utilities. >> It is our interpretation of the council policy that the goal is set for all customer classes together. Obviously there are some different interpretations of that. You've probably heard that from certain customers. So we track all three customer classes, but as a whole we know we are not meeting the goal. >> It's also difficult to manage an individual class of customers. As you know, we recover a cost of service. So if one customer class is higher, another one is going to be lower. We need to manage those in tandem. >> Tovo: Do you want to take the questions at the end? >> Mayor Adler: We're beginning to run out of time. Do you know how long your presentation is. >> Without questions I can get through in about five minutes here. >> Mayor Adler: Okay. Then let's come back to questions. >> Our next graph is the other component of our affordability graph which is we're directed to increase our rates no more than two percent per year. And so what this shows is both the history of Austin energy's rates, which is the green line going back to 1995. During the rate review we looked historically from 1995 to 2011 and saw that Austin energy's rates had grown at a rate of about two percent per year. But each year rates, because of the volatility of our fuel costs, increase as much as 18 percent one year and decrease 12% the following year. If you smooth that growth out it's about two percent per year. This became the basis for our goal of increasing rates no more than two percent. So in 2013 when rates were

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reset we real rated that two% line, which is the Orange line there, to 2013. And our goal is to keep Austin energy rate below that Orange line. The blue line is the consumer price index for the electric utilities nationwide just as a comparison for you. Cost of service results. This chart demonstrates where we were in our test year 2009, which was the basis for our last rate case and you can see at that time

the council approved a 105-million-dollar increase in revenue requirements and you can see that there was significant deviation between the cost of service, which is the right column, and what revenue was being earned at that time. Our test year 2014 is what we're using during this cost of service. You can see we close that gap between cost of service and revenue earned from keep class of customer. However there remains a significant deviation between our commercial customers called sect 2 and sect 3 there and our residential customers. This is the data that supports the chart that Mr. Dreyfus presented earlier. We hope to make continued adjustments to each of those rate classes to move them closer to their cost of service in this rate case. >> The other is fixed cost and how we earn our revenue. The blue chart here, the blue bars from 2009 to 14 represent our growth in the number of customers and accounts we're opening each year. That's a pretty steady growth. It's about two and a half percent per year. The line there demonstrates the amount of kilowatt hours that the average customer uses. So you can see it's on a

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steady downward trend. In 2011 most of you can remember that was our hot summer and we had also a cold winter so we've used a lot of kwh, but you can see the trend there is trending downwards. So as our fixed costs are rising our available revenue is decreasing. These are series of charts to demonstrate another point we made earlier in which we had a five tiered structure inside the city of Austin. And the average customer uses about 919-kilowatt hours. That was for 2014. It's not until 1400-kilowatt hours that Austin energy recovers its cost of service. That's the end of tier 3. This causes about 80% of our residential energy to be delivered below the cost of service. Once again what we're depending on is a hot summer and high energy users to recover our cost of service. The chart on the bottom shows the bars, which is the amount of energy that we deliver in each of those tiers, so you can see about 47% of our energy is delivered in that first tier, but only about 22% of our revenue is earned in that. And this really is not a low income verse known low income customer. Everyone gets their first block of energy in that first tier. So all customers are paying that. The good news is our customers are conserving and using less energy. The bad news is we shifted the burden of that revenue on to the fourth and fifth tier. Since 2009 we've seen a 20% reduction in consumption in the fourth and fifth tier. They're responding to both the price signals we're sending. They're also what we believe is the folks putting the solar panels on their home avoiding those energy charges. >> Finally, next steps. We will bring our rate

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design recommendations to the electric utility and to the utility oversight committee at the end of January. And then we shift to the hearings process, beginning of February we anticipate the hearings examiner will provide new recommendations at the end of April and then we'll have several hearings and work sessions for you to make that final decision by the end of June. And that's 29 minutes as promised. Thank you. >> Mayor Adler: Thank you. Mayor pro tem? >> Tovo: Thank you. I had a couple of questions about page 14 first. And this is the discussion of the reserves. I think I'd like to get more information about this, but can we talk first about this chart right here? I missed what you said, Mr. Drop bow ski, the recommendations will be made on increasing our replenish. Of the reserves and I heard you talk about the strategic reserve. I think if I understand what you said those would be targeted towards the strategic reserve and that non-nuclear decommissioning service, but not toward rate stabilization? >> That's correct. Currently our emergency reserve is fully funded. >> Tovo: Okay, the strategic reserve emergency. >> Correct. There's two funds in there. There's the emergency, which is fully funded and the contingency reserve, which this year we are on schedule to make another 35-million-dollar deposit into that fund. So that will fully fund the emergency portion of the strategic

reserve. At that point we'll start to begin funding the renewal and replacement fund for a capital program with nine million dollars. For our rate review that we're going to be conducting we're going to propose putting \$20 million each year into the non-nuclear decommissioning to fund the decommissioning of

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fayette and decker. >> Tovo: So when is the nine million slated to go into the renewal and replacement? >> We tend to transfer those funds towards the end of the fiscal year. >> Tovo: Can you remind me, excuse me, what the different -- what is the renewal and the replacement fund? >> The renewal and replacement fund is used to recapitalize our system. So each year we're replacing poles and wires and transformers. Those depreciate and need to be replaced over time. We've put about half of one percent of our total assets needs to be replaced. And so that is a method we're using to fund those, those capital improvements. >> Tovo: So I think it would be helpful if you could just point us towards where the financial policies are for the reserve funds. >> Absolutely. >> Tovo: I know we've gotten that distributed before, but -- >> They've adopted in volume II each year of the budget and I'll be glad to forward those to you. >> Tovo: I think it's important as we talk about rates and the possibility of rates increasing and in part of -- if part of what we're doing is replenishing reserves I think we need to revisit those policies related to the reserve funds. >> Absolutely. And part of our package that we're going to deliver to council includes a broad discussion on reserves, which we were asked to do by council. And recommendations from Austin energy on how to manage those reserves. >> Tovo: When are we getting that packet? When is it arriving? >> Currently scheduled for the middle of January. >> Tovo: Thanks. Because this was definitely a point of much discussion in our last rate case and I believe -- I can't remember exactly, but I believe there were some recommendations from Austin energy about the replenish. Of reserves that we did not take. In part because that was going to result in an even higher rate increase. So I think this is an area that we'll have to look really carefully at, whether we need to

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reless than initial the reserves at the -- replenish the reserves at the rate we recommended. >> We were directed by council to conduct a study on the optimal amount of reserves. And we did conduct that study through our consultants this summer. That study will be part of our package. And I would characterize it as saying that the consultants recommend that we set a target and simplify the MIX of reserves. And we'll be presenting that. >> Tovo: Okay. Can you send on that report to us in the meantime? Could we start getting some of those materials prior to the packet? If the consultants' report is done I would be interested in taking a look at that sooner. >> Okay. That particular report has some confidential information in it and we need to scrub the confidential information out of it to release it publicly, but that may already be done and we'll check and as soon as that is done we'll forward it. >> Tovo: Thanks. I assume you could also forward that to us under >> Sure. >> Tovo: In a confidential envelope. Back to the rate stabilization. >> I know you said you would not be recommending rate stabilization, but I'm looking at 2015 and it looks like rate stabilization is being funded unless I have the colors wrong. Or is that the non-nuclear. Maybe that's gray for non-nuclear decommissioning. >> There is no funding rate destabilization. >> Tovo: It's that gray, beige. >> I believe that rips about eight million dollars currently in the non-nuke dollar decollisioning. >> Tovo: And the financial policy on that is to begin funding how many years prior to the expected decommissioning of a plant? >> No less than four years prior to decommissioning, but I would highly recommend we begin doing that much earlier. It creates much less of a burden on our ratepayers. But that's the policy is no less than four years. >> Tovo: Okay. Can you remind me the target dates for both of

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those plants? >> I believe that the policy is to begin the decommissioning process in 2015 or 2018 for Decker and 2022 for Fayette. >> Tovo: I'm sure people would love to hear that we were four years out from Fayette and that's why we were starting to replenish the reserves. >> At least four years is the policy. >> Tovo: Okay. All right. I guess that's all I have for now, but I'll just note that I hear multiple comments from both of you about residential -- residential cost of service, the gap in residential cost of service and I'm interested in looking forward to getting our consumer advocate on board so that those interests are well represented because I certainly don't want to see our rates built on the backs of our residential customers and our small commercial -- our small commercial. I'm real eager to have that person in the MIX too and I know you are as well. >> We share those concerns and we'll work as rapidly as possible within the city processes to bring the consumer advocate on board. >> Tovo: Super. And the webinar that our staff took talked about as a recommended best practice not to increase -- not to use a rate increase to get customers more than 1.8% closer to the cost of service. Is that going to be kind of the guiding principle for Austin Energy that we're not going to work to get customers any closer than 1.8% closer to customer -- to the cost of service? >> We have not discussed a specific target like that, but we do believe that gradualism is important as we move customers forward. So we are discussing internally kind of a stepped process to gradually move residential customers closer to cost of service. But we haven't talked

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about any particular target like that. >> Tovo: That webinar was -- what webinar was that one? >> We sponsored a webinar with an outside trainer who was associated with the American Public Power Association. I have to say I did not see the webinar so I can't speak to that specific issue. >> Tovo: Okay. Super, thank you. >> Mayor Adler: When about that webinar come out? >> Tovo: Maybe it was two Fridays ago, I think something like that. And it was as I understand it, not something we can go back and see. I think it was more or less live. But I would love -- if there's an opportunity to make that available so that we could review it on our own, I'd love to be able to watch it. >> We'll look into that. >> Tovo: I like a Friday night. >> The webinar was designed for council staff members and we invited them all. >> Mayor Adler: Thank you. Thank you very much. Yes, Ms. Gallo? >> Gallo: I have a couple of questions, please. I believe it was in 2013 was the lawsuit that you referenced about the -- I think it was overcharging the suburban clients. >> The appeal to the public utility commission, yes. >> Gallo: So has our process for setting the rates changed such that we now are sensitive to the issues that arose in that appeal? >> Well, I would say we're always sensitive to those issues, but in the 2012-2013 proceeding we had a settlement with those outside customers where we passed through five million dollars in additional savings to those customers and we are very mindful about that settlement as we're looking at our -- at our rate design recommendations. And we'll share that policy with you next month. >> Gallo: And I appreciate that. I think it would be helpful to maybe summarize the results of that appeal in the settlement so that as we listen to the recommendations we make sure that we're addressing some of the concerns that were addressed then since that was before -- I guess Mayor Pro Tem Tovo was on the council at

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that point, but the rest of us were not. I think that would be helpful. Thank you. >> I would add as we're going through this, our attempt is simply to fine tune the rates. We have no significant or drastic

changes in our rate structure or how we collect that revenue. So it's really a fine tuning of what the council has already adopted. >>> Okay. A question about -- I think one of the things that's really frustrated to customers, we see this with water and electric bills and utility bills. As we promote conservation and the public tries to do that, they see the rates go up. I think it's really frustrating. I wonder if there's an ability to separate out the cost of infrastructure, cost recovery, because that's something that everyone should participate in, but doesn't necessarily tie to the rates that people are not getting a benefit to the reduction in their use, which they should get a benefit from. So I don't know if in this process the two can be separated out in a billing procedure or if they all have to be put in together, because we all as customers do have to help provide for the infrastructure recovery costs and I think, as you're showing, the residential component of that is not participating as the -- as the industrial and commercial customers are. So maybe that would be helpful in a -- in a thought process when we're helping to continue to encourage people to be efficient. >> Well, that is the real public policy challenge embedded in this study. I don't know what the number is this year, but in the prior case the fixed costs were \$44, before you use a single kilowatt hour of electricity, the utility incurs \$44 to provide residential service. We have a fixed recovery charge of \$10, we load the other \$33 into the variable

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charges. And that was issue -- the issue that the council grappled with. How high of a fixed charge should we have, how much gets loaded into the variable charges and where do we go in the tiers? And that is -- that whole discussion is right for this proceeding and we will be making recommendations on tinkering with those levels, but I think that it's a discussion that everybody in the community will need to be engaged in to come up with, you know, all of the creativity of this community to come up with a good solution. >> Gallo: Thank you. >> Mayor Adler: Further questions? Thank you very much. >> Thank you. >> Mayor Adler: Let's move to the P.U.D.. >> Gallo: Mayor, could I make a couple of comments on this as they get set up. We asked this brief briefing be done on the pud process because as councilmembers we hear many of the pud zoning cases, but I think that the process that an applicant and a community goes through to get to the point that the pud is actually -- the application is actually brought before the council is still a little confusing. So we were hoping in a very brief description that our department could talk about the actual process, what committees or boards and commissions the process goes through, the confusion that I think that we're sensing is who governs the timing that it goes through, boards and commissions, that are required. And what happens if there's some difficulty in getting that on the agenda of those boards and commissions, just really some information so the council understands the process and who drives the different components of that. So thank you. >> Sure. Good morning mayor and council, I'm Jerry Rusthoven with the planning and zoning department. Joined by Greg Guernsey, our director. I'm here today to talk about

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the process for puds planned unit developments, sometimes more affectionately known as puds. I will start off today with what is pud zoning, what are the requirements for approval of a pud, what is the process to get pud zoning and the board commission involvement. A pud is defined by the land development code, its purpose statement states that its intent is to implement the goals of preserving the natural environment and encourage knowledge high quality development and innovative design and ensuring adequate public facilities and services. The council intends pud district zoning to produce development that achieves these goals to a greater degree than and that it is therefore superior to development under conventional zoning and subdivision regulations. What a pud is, rather than an existing off the shelf zoning category, such as gr, cs, mf 2, any others that have their own preestablished

set of uses and site development regulations, a pud allows the developer to modify the land development code as it applies to a specific piece of property. This flexibility is, of course, valuable to a developer and so what the city seeks in exchange is superior development and we achieve superior development through negotiations that occur and then ultimately approval by the city council. The requirements for pud approval, this was all modified back in 2008, are all puds must meet what is referred to as 2-1 in the tier 1, tier 1 requirements are things that every pud must meet. A non-inclusive list are things such as a minimum amount of open space, environmental preservation, a certain legal of green building, et cetera. That is the minimum standard. Next is what is referred to as tier 2. Tier 2 are the items with which a pud collectively proposes to achieve the superiority that is required by the code. The code does provide a list

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of criteria, the -- a variety of areas, what an applicant can propose to achieve superiority. All puds must meet tier 2, but there is not a strict definition of exactly what you have to do to meet tier 2. Tier 2, look at it as a bundle of goods that is a developer is offering the city to achieve the superiority in exchange for the flexibility of the code modifications that a pud allows. What's sometimes referred to as tier 3 are the development bonuses, strictly deals with affordable housing, what is states is that if you are exceeding a baseline for floor to area ratio or height there's a mandatory affordability requirement. That is something that we have discussed recently within the past year regarding a pending pud known as [indiscernible]. The process for a pud is first a development assessment is submitted, the development assessment is a dry run, if you will, it is not an actual application. You cannot do anything with it. What it is, it's a -- it's a presubmittal review process whereby the city staff, a multitude of city staff take a look at the pud and we offer our input. We say things such as this looks good, perhaps you need more of this, less of that. There's probably no way we're ever going to recommend this or things such as -- such as suggestions and questions that we have for a proposed submittal. When we're done with the development assessment, we prepare a report and present a briefing to the city council, that is -- there is not a vote at that time. The -- the ordinance was changed in 2008 to allow for that briefing because the previous process had the council seeing the pud at the very end. And so we thought at the time that it was a good idea to go ahead and give the council a preview of a pud before it is submitted so that they can offer some input as to what they would like to see so that the staff and the property opener and the neighborhoods all have some direction, what the council priorities are for a given piece of

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property. There is also at that time a possible discussion as we had recently regarding the proposed baseline. That if that is an issue. It is not always. It is -- it has been in one pud recently. Once the council briefing is over with, then the code allows that the applicant may submit a formal application. The -- once the application comes in, there is a rather lengthy staff review process that also involves stakeholder input. It is not uncommon for these things to take a year or more. What is happening during that time period is the staff is going back and forth with the developer, meeting with the neighborhoods, meeting with the developers, the neighborhoods, the same are at the same time, sometime council offices to discuss the proposal. Because it is a blank page, if you will, kind of there are a lot of things on the table rather than standard zoning case where we're working with a narrow parameter of what's allowed and talking about what may possibly be taken away from that, with the pud, we have a lot of things that are on the table. The city is able to negotiate for things that -- that under state law we cannot normally do. Things such as affordable housing, greater transportation improvements, greater parkland dedication requirements, et cetera. So during that process, we are

going back and forth with the developers and the neighborhoods. The next step would be for the -- under the code, would be for the case to go to the environmental board for their recommendation. Prior to 2008, there was some discretion of the staff's part about whether we needed to take a pud to the environmental board in 2008 the council decided all puds needed to go to the environmental board, regardless of whether there was an important environmental except to the pud or not. The next step is for the case to go to either the zoning commission or the planning and zoning commission depending on whether the pud is in line with the neighborhood plan or not. Ultimately it comes to the city council, and the city council collectively makes a decision about whether a pud has achieved superiority and whether that superiority is sufficient to counter, if you will, the greater

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flexibility and the modifications to the code that the developer is proposing. The city staff that are involved in the review of a pud, I've listed some here. This is a non-inclusive list, but gives you an idea. There's a planning and zoning, watershed protection department, the city utility departments, public works, the law department, fire department, imagine Austin, the comprehensive plan review, et cetera. Pud probably more than any other zoning application has a high degree of involvement by a wide variety of city departments and staff. Once the staff has come to a recommendation, that is either we have decided that the -- that the proposal does meet in our opinion enough superiority to justify what is being requested, then we will recommend it. It's also possible that we may recommend it with modifications, of course, it's also possible that we may not recommend it at all. However, because it is a negotiated process, most commonly we do in puds achieve a point where we come to an agreement. If not, then -- then there's usually a bigger problem. Under the code, the next step would be after the [indiscernible] Commission would be for it to move on to the environmental board. However as councilmember Gallo alluded to, lately there has been a question asked about whether it would be appropriate for a pud to go to other boards and commissions as well. I can state that the code, the only required boards to go to are the environmental board and the P.C. Or the zap. However, because the pud does involve a multitude of disciplines and areas, it is possible that we may be asked to buy different boards and commissions, such as the parks board or possibly the community development commission or the urban transportation commission or, you know, quite frankly, a rather lengthy list of commissions that may want to be involved in a pud but up to now that has not been the process. >> Could I ask a question at this point. >> Mayor Adler: Yes. >> Kitchen: I think that you were touching on my

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question. How is it determined whether something goes to another committee or not? In other words, what's the process? Do they have to request or is there some analysis of what the impact might be, how is that done? >> Right now. We do not take it as a matter of course to these commissions because the code does not require it. What I suspect may happen, hasn't happened yet, I have heard it's a possibility is that possibly we may receive a request from a commission or the chair of a commission to -- can you please bring this application before us, we would like to -- we would like to weigh in on it as well. >> Kitchen: How would they know about it? Are they given any kind of notice that something -- are we just relying on them to -- to kind of figure out that something is happening? >> I think in most cases it's because these applications are high profile and they have been approached by stakeholders, neighborhoods, maybe asking them to take a look at it. >> Kitchen: We can talk about this further, and I would like to talk about it in our transportation -- in our mobility committee to see what others think. But there's -- there's often impact on transportation of -- of developments, particularly a pud type

development. So it might be appropriate in most circumstances, it might be appropriate for the utc to weigh in. That's something that I would like to see what my fellow councilmembers think. >> I think that's one of the reasons we're here today for this briefing is to seek some input on that proceedings. >> Kitchen: Would you please follow up on that to make sure, I don't want us to lose that thought. >> Sure. One issue with regard to the same question about whether it's appropriate to bring a pud to other boards and commissions other than environmental or P.C. Or zoning and platting commission is a lot of my experience has been a lot of the other boards if they do receive an application like this, which is very uncommon, but they often assign it to a subcommittee for their review before it goes to the larger boards and commissions. So I believe that that can be an issue sometimes just from a time knowledge find.

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But -- timing standpoint. But, you know, if we have to go to more boards than we normally do, each board wants a subcommittee to review it for whatever period of time, then we do run into an issue. Keep in mind at this point, a lot of times the application has been under review for -- for quite a few months, possibly a year or longer. And by this point the -- frankly the property owner is usually itching to get moving. You know, if we have a multitude of commissions and committees to go to, that can slow the process down. Second question with regard to -- >> Mayor? >> Mayor Adler: Me, Ms. Pool? >> Pool: Councilmember kitchen your question about mobility committee is a good one. I would agree, especially in the case of the grove pud there is some real concerns about the transportation issues. By the same token I would expect this to come in front of the open space committee for a look at the green space and the parkland and so I think -- that -- that placeholder up there as the city council, I think that also includes council committees. >> Kitchen: Okay, thank you. >> Then another issue with regard to frankly both the existing code requirement that we go to, the environmental board as well as the possibility of other boards and commissions is the question of when does the application actually go before the commission? I can tell you that with regard to the environmental board, there has been a desire expressed by applicants before and currently that if we have resolved the environmental issues on the pud, in other words, we may still be discussing issues such as transportation, or height or density or something like that. But that the environmental staff has largely worked out the environmental issues with regard to a pud the question comes when -- when should it go to the environmental board? Should it wait until the entire pud is ready for a staff recommendation? In other words, we have completed our review and we are prepared to recommend the application as a whole?

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Or is it okay for the application to move to the environmental board because the environmental board should only be discussing the environmental issues and if the environmental issues are ready to go, then it can move forward? I can tell you that we have discussed this issue with the environmental board, both at a training session, earlier this year, as well as several times in the recent past with regard to single application. We have heard from the chair of the board, two things. One that they would like to send the application to a subcommittee prior to going to the whole environmental board and, secondly, that they would not like to see the item before even the committee until the entire pud is ready for a -- for a complete staff recommendation. In this particular instance, what we're discussing alluding to, it's not ready at that point yet. So what I have is I have a developer saying the environmental issues are ready, it should move on to the environmental board, the rest can be worked out prior to the zoning and platting commission and I have the board saying we would prefer not to -- the chair of the board at least -- saying we would prefer not to see it until the entire application is ready. In other words, all issues have

been worked out. So this is an ongoing issue. We're discussing it. We'll probably be discussing it later this week at the environmental commission on the environmental board on Wednesday night. >> Mayor Adler: Do you know why the environmental board wants the whole thing to be worked out before they give input on the environmental issues? >> I believe there's a concern on their part that there may be, you know, sometimes you have a multitude of moving parts and that maybe something might move over here regarding transportation, may have an effect on the environmental side of things. I think that that's a kind of a possibility, but certainly not a certainty. But -- but I do know that -- that the environmental staff [indiscernible] Told me that the case is ready to move

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forward. But the -- as I said, the chair wants all the issues resolved. >> Mayor Adler: If things changed and moved such it was a different environmental question, couldn't the board at that point, the environmental board, request or set on its agenda reconsideration of that issue or couldn't we ask the environmental board, hey you've looked at it, now things have changed, did you want to take another look Athena? >> [Indiscernible], the city's environmental officer, the city's executive liaison to the environmental commission. And I think in discussions with the chair, I certainly don't want to speak for the chair, the commissioners, their purview are solely the environmental issues, they would like to be able to consider the pud or any pud that comes before them in its entire context. And I know that some of the commissioners have expressed concern about if the transportation issues have not been dealt with, they think that there's potential significant air quality issues, depending on how transportation is resolved. And -- and that -- that they would like to be able to hear the overall staff recommendation. When it -- before it comes to them. And I think that that's just generally a sense across the commission. I don't think all of the commissioners necessarily feel that way. But my sense is that most of the commissioners and certainly the chair feels that way. >> Mayor Adler: Okay. There's a balance when you talk to that I hope we reach when this particular item came to us, and we asked them to indulge us with not setting a baseline. We -- we promised them at that point that we would move this through the process expeditiously and that wouldn't come back, in essence, to haunt them because it was an accommodation that we had asked for. Because quite frankly it

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gave us the greatest flexibility to be able to work. And I just want to make sure that -- that -- when we told them at the time if they were being held up, they just needed to come back to the council and then we would then deal with their -- with their ability to request the baseline vote. And I -- I don't want us to get caught in something where -- where the larger goal gets pre-empted. So take that into consideration. The environmental board to be able to take a look at everything and I'm not adverse to giving it back to them if anything changes on the deal, but the process needs to move forward because we said it would end because it was an accommodation to us as a council to -- to kind of send it out before we did a baseline. So please has that part of the conversation that you had. >> If I could -- >> Pool: If I could, my understanding of the context of that comment was within the staff and the staff's review of the pud not the boards and commissions' input. I respect the fact that they are looking to review it in its entirety, that's what we as a council are hoping to do as well. I do not get the sense at all that staff has done anything to slow it down. I think, in fact, they are working overtime to keep pushing it through. But my willingness to agree to that -- to that point that you make was when it was affecting staff because we -- we have some purview over them. But the boards and commissions are independent entities and I really do hope that they take the time that they believe is necessary in order to fully understand the complexities and in particular of a pud application. These are not to be taken lightly. >>

Mayor Adler: No, no, no I don't want it to. My recollection of the conversation was they were being asked to set a baseline. We asked them hey let's not set the baseline because it

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gave us the greatest flexibility to be able to do that. Regardless of whether it's staff they feel holding them up or boards and commissions holding them back, they could go back to us -- regardless, they could be back to us saying this is taking too long, go ahead and set our baseline, back into the process. It's that request coming back to us that I'm hoping to be able to avoid and I wanted the complete review, too, so there's a balance there. And that in your conversations with the board I hope that you are able to find. >> Pool: I think that's my sense, that they are working on achieving that balance. It's an incredibly complicated -- issue. That we have in front of us. And I think that -- that as you have said, so eloquently on many times before, we need to take the time necessary to completely review an issue so that we make the right decisions on things. And I would rather err on the side of taking a little bit longer than forcing something to a decision where we may end up wishing we had made a different decision if we just had a little bit more time. >> Mayor Adler: Always a proponent of deliberative thoughts. Ms. Gallo? >> Gallo: I think part of the -- thank you for the presentation, because I think this has been a little confusing with what actually is the policy and the pros. I think it's -- and the process. I think it's important as we have heard over and over again and the Zucker report dealt with that, also, the predictability of the process for the applicants I think is really important. Something that perhaps we have not done a good job in the past of helping to provide. But I do think the policy of this process is -- is a policy question. And if -- if it's vague at this point, I think it would be helpful both to the staff and applicants in the community to understand better what the process is. It just seems like in a situation like this, where -- where staff -- environmental staff has already been through the

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analysis and has a recommendation, that if the developer is under the impression that they can move that forward through the environmental board, and do that, then that's an expectation if we as a council are saying that, no, that's not the case, then I think we need to be very clear in saying that. So that it is predictable and people understand. You know, I think the fact, and the mayor addressed this, that it's -- if the developer chooses to move something through the environmental board, before the entire project has been approved by staff, then -- then they take the risk and I think they should take the risk, of having to come back if the plan changes. And so it's not saying that they can move through this process and, you know, it's done. It's also saying that they take the risk of it having to come back if, in fact, it does change. But I do think -- I do think the council, in whatever way we can, mayor, I think we need to help make this process more clear and more predictable and more transparent so as we go through these application processes on puds, that both the developer and the community understands specifically what the process is and who can drive some of the requests to go before the -- particularly the environmental board. >> Mayor Adler: Anything else on this before we move on? Thank you very much. Let's go ahead and hit D 2, the office of performance management. Council, as you will recall, that -- during the budget process we went through, there was some -- some comments by -- by various ones of us that we were struggling to get additional or different kinds of information as we went through the process process that would enable us to do a look at the departments that

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wasn't tied to the variance report. This year versus last year, which we ultimately used as our guide to

be able to get to a conversation that was a little bit deeper. We noted that there were some things that we did really deep dives on, as we looked at departments, kind of like the library program, with the reselling of books. And the fact that we were having conversations on that with something that just kind of fortuitously arose because we were considering a lease and the lease led to the conversation about what it was that we were doing there. The question came up, was it important for us to put money against having some kind of departmental review, sunset review or departmental review or whatever words you call it, it was an opportunity for us over a period of time of several years to work through the -- either the departments in the city or programs to the city. It was a rather amorphous concept. We didn't spend the time to really focus down on what questions we wanted answered or would be helpful for us to have during the budget process or in learning what the city -- what the city departments were doing. But we did think it was important enough for us to budget \$500,000 against that effort. So that we could move forward. The -- the manager has -- has responded to that by making a proposal on how that could be handed and it was something that he has given to all of us. We also asked the auditor to take a look at how the auditor's office might be -- how they might handle it if they did it. With a -- with an ability to have all or part of it done in the auditor's office. But I posted on to the bulletin board some questions, after the proposal came back from the

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manager, that basically listed what I thought were the -- the real high-level questions. An opportunity for us to see what departments or programs were doing, where they are sending their time, resources and energies relative to the other work that's being done, what are the department or program -- why is it doing those things and what was the intended policy goal, who initiated that program or department? Is it being run as efficiently or well as it could be, is the department meeting the intended goal or policy objective as much as we would like it to. What are the recommendations, if any, for changes or improvements. Then ask some corollary questions to that. Again, we just haven't really sat down to figure out and identify specifically what would be the most useful information for us to have. It would be my recommendation, at this point, that -- that we have a working group, as I said earlier, that would consist of me and the mayor pro tem and we would sit down with the -- with the auditor and with the manager just to see what would be the best use of those resources, what would be the most valuable thing for us to have. And then to bring back a -- for mayor pro tem and I to bring back a recommendation to the council at our meeting at the end of January. If -- so ... I lay that out for discussion at this point. Ms. Houston? >> Houston: Well, mayor, I'm troubled and confused because I thought my role on this council was to kind of set direction. And policy and give that to the manager and for the manager then to either execute or not. But bring back some options. So I'm not sure why we as council are getting so involved in something that we've already passed off to the manager. >> Mayor Adler: I think in this case the question is what do we want an audit or a performance review to be. I felt that we had given the manager insufficient

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direction because as we were going through the budget process, we basically created a placeholder in my mind as to what it is that we wanted. But the question of whether or not it should be something that's done in the manager's office or in the auditor's office, isn't something that can come from the manager. The auditor is a reportee to us. Not to the manager. >> Houston: So is this to move that function to another -- another entity? I'm still confused? >> Mayor Adler: We're creating a function that doesn't exist today. In terms of having something, it could be something similar to the sunset review process that you are familiar with that happens up at the state legislature. Which is an independent -- in

that respect -- it's an independent look at an audit of what's happening. >> Houston: I beg to differ with you on that. [Laughter]. You can call it that if you wish. >> Mayor Adler: Intended to be. Something that the department doesn't review itself. So there was a structure that the legislature set up to -- to do that. There's been some question, in a answer to your question, that we should consider having the auditor do that review. The question of whether all or part of it should be doing the auditor's office is a question for the council to decide and it's a conversation that we have not had. >> Houston: Okay. Yes, Ms. Kitchen? >> Kitchen: I'm sorry, you may have mentioned this. But did you say your timeline would be to bring it back in January -- >> Mayor Adler: Yes. I think it has to come back real fast if it's going to provide any assistance to us in the budget process. >> Kitchen: What you would bring back is sort of the list of questions that we would want this kind of process to address? Is that -- then how it would operate? >> Mayor Adler: I would hope that the mayor pro tem and I could come back with a recommendation of -- of how -- how we should have a departmental review conducted, which would be the questions that would be answered and the process that would be used and

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probably something that would take a look at what it looks like over a several year period of time. >> Kitchen: Okay. I would just -- my end put would be that I think -- my input would be that I think this could be a very useful process. I would view it as a partnership type of activity and that's the way, you know, it's -- well, I'm not going to compare it to the legislature because that has pluses and minuses depending on the agency, but I think the purpose here from my perspective would just be an opportunity to work with the city manager and the city staff to both help us understand at a -- at a greater level of detail and also just to have an opportunity for some more innovative look at how departments might be handled in the context of how we're moving forward. So I would think of it from that perspective and I would also think of it from the perspective of how it can be done in a way that is collaborative. Which I know is the intention. >> Mayor Adler: Absolutely true. In fact it could be what the manager proposes is exactly what we should end up doing. It's just a conversation that we haven't had as a large group. I had, you know, kind of outstanding questions. Questions that were coming to me from other councilmembers. I just want a place for us to park that, to be able to resolve it and to be able to move forward from it as quickly as we can. >> Houston: Mayor, I'm sorry, I have one other question about the audits that the auditor already does. What will be different than what they are already doing on the departments. >> Mayor Adler: I would say we shouldn't do it if it's not different. The question what it would be if -- that would be different about it would be one of the things that we would talk about. I mean, I don't know the answer to that question. I do know that we were in the budget process last year and some of the councilmembers felt like there was additional information or depth or review or understanding or knowledge that they wished that they had at that point. And then this is in part to do a deeper dive to figure that out. >> Houston: I probably was one of those, but it was

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probably because that was my freshman year, I didn't have a clue of what anybody did. If I added to the confusion, but now I've received several audits from the audit department and, you know, I think they do a great job with what they do. If there's some other things that you know you think is not covered there, I guess that's what this working group is going to figure out? >> Mayor Adler: I think so. It would be my intent, I will let the mayor pro tem talk in just a moment. Part of it is a systemic way to look at how we look at what the city is doing so over a period of time we have covered all of the various areas so that there's -- we understand what's going to happen in year 1, 2, or 3 then it repeats. But generally the questions would be the four questions that I read just a second ago and that we're -- at the

beginning of the memo that I had. Mayor pro tem? >> Tovo: I would like to say I know we're not talking about this extensively today, but it would help me to get a sense of what the council wants to see in terms of additional information because that will help -- I think that will help us all understand whether that's better handled by an expansion of what the auditor is currently looking at with regard to different departments or whether that -- whether that needs to be a different process. So -- so as you mentioned, we didn't really talk about this much in the budget. It was something we allocated money towards without really a full discussion of what our intent is. I'm not sure -- I'm not sure that the intent is the same across the dais. And so that would be helpful to know what council's expectations are of that. Are they as have been outlined or are there additional things? Maybe we can use the message board to address those? >> Mayor Adler: That would be helpful. It's on the message board and posted. Since we have an hour and a half left in this, I would urge people to go to the message board and comment. Manager? >> Thank you, mayor, mayor

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and councilmembers, with respect to what you adopted in the budget, what the budget is adopted in the aggregate, I understand that means -- the means that I'm being directed to carry out administering and managing the budget in that regard. With respect to this particular issue, I did understand it. What I sent you, I have responded in a way that I think is responsive to -- to the direction I received as part of the budget process. And I won't repeat that. I gave you a memo about that. With respect to the kinds of issues that you may want to address, relative to a review. Obviously we look to you to -- to give us that information and that -- you know, and that guidance. I appreciate the suggestion coming from council to do Thi. I think it's -- it's going to be worthwhile. I think it will serve to -- to inform me and my staff as we do our work in general and certainly as we work on putting our next -- excuse me -- budget recommendation together. I think it will also inform the council as, you know, as well. So I guess I want to characterize what I gave you, not as a proposal, but what I intend to do and have already put in place relative to what I understood in regard to the direction. Council's guidance in terms of the kinds of reviews and issues that you want us to address, we're happy to receive that and participate in a conversation in that regard. With respect to the issues that were outlined in the -- in the mayor's memo that he posted, in other documents, I think what we've put together and put under the leadership of the cfo can be responsive to the full range of issues that -- that this council might decide it has an interest in having a deeper understanding about. So we have that in place.

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We are set to proceed. There are some issues that we will initiate on our own I suspect and put through that process, but we're happy to receive those issues, concerns, interests, of this council and utilize the office of performance review to provide the responses, in response to your needs. >> Mayor Adler: Manager, I have a question about that. The -- certainly anything that -- that you would choose to do within your manager or department that helps manage the city is great and entirely within your prerogative. Would you have any problem if the council decided that it wanted to have all or part of a departmental review conducted by the auditor's office? >> Well, mayor, I would not presume to interfere with the council's prerogative to direct another appointed official. As much as I've exercised my prerogative in responding to what I believe was directs that I got from the council -- direction that I got from the council. I certainly would not [indiscernible] Another appointed official. That's a conversation between this council and the city auditor. >> Mayor Adler: If you were asked to participate in a working group with me and Kathie and the auditor to figure out and help answer questions, would that be something that you would be willing to do with us. >> I thought that I alluded to that in my

remarks. I'm happy to participate in a conversation to assist council in defining the issues that you have interests in studying. Having a deeper dive as you put it earlier. Certainly I would be happy to participate in that conversation. >> Mayor Adler: Great. >> In fact whatever you decide, it probably would be my inclination to also evaluate it in the context of the performance review office that I have just launched. >> Mayor Adler: Great, thank you, Ms. Gallo.

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>> Gallo: I really like moving forward on this. I really appreciated the audits that came out of the audit department. When we felt like we had issues with the building department, the Zucker report, I think that's ended up being a very healthy, helpful document that's gone in and looked at the department. Not to be negative, but to be positive in a way that then makes it a little bit clearer what directions we need to move to be better at what we do as the city government and the city departments. But I do think that -- I think my interest would be moving this type of evaluation into the audit department and making sure that we're funding them to be able to have the staff, you know, audits have been done. One of the things that we've realized as we've been going through this process this year, audits are done, but sometimes the follow-up audit isn't necessarily give very much a priority. I think that needs to be something that the council addresses and funds money for the audit department to do so that when an audit is done, the city manager will take that information and work with his departments to address those issues, but then there needs to be a follow-up that says it's actually been done or there's still some points that need to be done. I know that several of the questions that I have today in the work session are questions where we're asked to renew a contract and there's not really -- I'm a metrics analysis type of certain and there's not really information in the backup that says, you know, what are the metrics that we've achieved by this previous contract, did we get there, did we not get there? I know the city manager in this conversation process can -- can perhaps come up with something within the city and within the departments, that helps give us that information automatically versus us having to pull it on the work session and say it's not there. I would really like to see that information from the previous contractor before we renew that contract or extend it. So I think there's places for both the city manager and our audit department to work towards kind of

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accomplishing what we're looking for. But I would be a proponent of this really being a process of our audit department. >> Mayor Adler: Further comment? >> Troxclair: I'm sorry, I missed the very beginning of this discussion. I want to understand what the process is that you've outlined going forward? >> Mayor Adler: I have suggested that the mayor pro tem and I together with the audit and the manager sit down between now and January 28th so that the mayor pro tem and I can come back to the council at this point with a recommendation on how this issue be addressed. In that intervening point in time that end be encouraged to go to the message board on the item, the string that's already been started with this, to give us thoughts or suggestions as the mayor pro tem asked for on what you would like to see accomplished by this process with questions that you would like to see answered, what information or data that you would like to see developed. >> Troxclair: Okay. I just wanted to say I appreciate your leadership in bringing this idea forward. And helping us work through how this may be of benefit to us and the city manager in creating effective policy and making sure that our policy goals are I guess are achieved. Response to the mayor pro tem's request for information and councilmember Houston's request for what the vision is and what the difference is for the auditor, I guess that I will just speak really quickly to what I see as the difference between the auditor and sunset commission. Because I think our auditor is great. And the audit, but the audits normally examine a very limited and

specific scope within a specific program within a specific department. Like they'll examine how medicine at the animal

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shelter is kept and dispossessed of. Whereas a sunset idea to me would be a more comprehensive -- would give us a more comprehensive idea of whether or not a department or program is meeting the -- the initial goals that it was set out to achieve. So it would be a much -- I think it would be a broader perspective and more -- instead of examining, you know -- if money was allocated correctly within a specific program, talk about how a department or program as a whole, if the money is actually accomplishing the end goals that we set out to accomplish. And if not, possibly suggest alternatives. So I do -- I personally see a huge value in -- in a process like this. And I know this is the beginning of the discussion, and it's going to require some more thought and -- and the last thing that I'll say is that I agree that it's incredibly important for whatever we decide to be independent and so that we can trust the validity and the accuracy and the Independence of the -- of the results or the recommendations that we get. >> Mayor Adler: Okay. Thank you, yes, Mr. Renteria? >> Renteria: Yes, Mr. Mayor. While we're at it, looking into it for efficiency and all of that, I think what we really need to do is also look at our committee structure and whether we're really meeting our goals or whether it's just fishing and whether we're really helping us in our meetings where -- what it was meant to do. So, you know, I think that we should just open it up to everything, including, you know, our committee structure and let the auditor take a look at it and see how is it operating, is it really saving us money? Is it being efficient? And I would like to see

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something like that happen. >> Mayor Adler: Okay. Thank you. Anything else, yes? >> Tovo: One last comment. I've had an opportunity to meet with the auditor, I look forward to the conversation that will take place as part of this. But it would help me, especially since there are discussions about what the auditor, how the auditor might expand the focus or, you know, some of this work might be tackled by the audit department. I think it would be helpful what would expect to have versus the kind of audits that we are receiving. I have heard one comment about there not always being follow-up audits. Our audit department does a really good job of scheduling those follow-up audits where they are appropriate. If you look at the audit plan which the full council approve, if you believe those should be coming back to us sooner, that's an opportunity to reprioritize the audit plan that's adopted every year because it really isn't an accurate statement to say there aren't follow up audits done. They are done on a regular basis. But if the council decides there should be a higher priority placed on some follow-up audits versus the others, that's certainly a recommendation that could be made to the audit and finance committee and then we could bring forward a recommendation for amendments to the full council and I hope that, too, that we have an opportunity either at audit -- in the small group but then in the audit and finance committee or here to really discuss the scope of audits. It's my understanding in the past the audit department did do broader audits and there was an intention focus of, an intentional narrowing of focus to preserve and really enhance the use of city resources in looking at particular programs of risk. So I think that's -- I think that's a broader policy question that we need to talk about, what is the scope of the audits that we want to see here and what is

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the best, you know, what is the most useful expenditure of resources within the audit to achieve what

we want to achieve in terms of forming our policy discussion. I know our auditor is here, if she needs to correct any of my assertions I would invite her up to do that. That's kind of my laypersons comments on the -- my understanding of past practice. >> I don't actually need to correct any of that. But I came up just in case. But no, I would say that characterizes it. And not just our office, but the audit industry as a whole in particularly government auditing has really gone from that review an entire function and even in some cities especially longer established cities, they would have a -- every year these are the departments we're going to audit and just at some point as cities grow it becomes more and more challenging to really in that large look to really use your resources as effectively as possible. So we've gone to identifying high risk areas for audit that are a little more specific and narrow scoped. >> Mayor Adler: I have a question while you're up here. On the list that you sent out to the council, you talked about five different kinds of audits or investigations that you might do. The fourth one was to create an audit team to conduct reviews of selected areas focused on. Would you explain how that would be different from what it is that you already do? >> I can try. Yes. You know, I think what I was trying to lay out here is the options just in general related to our audit plan. Every year we propose an audit plan, that's certainly intentionally a flexible plan where if something else comes up with the couple, we can absolutely adjust the plan either by removing projects, bid aing ours to the plan. By adding ours to the plan. I was trying to weigh that out, additional ways we could -- >> Mayor Adler: I want to get on to my other stuff, my question real specifically

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with respect to number 4, how is that different from what you already do? >> I don't know that it is. Except that to the extend basically what's decided here, if there's a focus that we are not currently hitting on, I heard something about efficiency and cost effectiveness, we don't spend a lot of time on efficiency. It comes up in our audits, but we're typically more focused on effectiveness and outcomes and equity I think are the things. If you look through the list of projects we currently are working on, we don't often kind of go into an area and say "Is this efficient?" Sometimes it comes out or it's a piece of what we do, but not all that we do. In the event that there's an area like that, whether it's efficiency or not, but a specific area this council wants more of, then we can certainly create that. Basically create a team that's dedicated to those types of audits. >> Mayor Adler: Okay, thank you, Mr. Casar? >> Casar: I just wanted to respond briefly to the question from mayor pro tem. Which for me is look forward to the work that you all do to bring us decision points, if there are any. I trust very much in the work that our auditor does. I read the memo from the manager on the creation of the office in reading the memo I thought it sounded very sound in what I read. But if -- of course, there are always opportunities for, if there are any opportunities for more improvement or collaboration, I look forward to hearing back from you all, but just from my quick observation, I trust very much that whatever the auditor does, I trust your ability to administer the budget as we allocate it. But if you bring us decision points in ways that we can make, ensure more collaboration or improve it, then I'm happy to hear those. But on its face, I just look forward to hearing your ideas, really. >> Mayor Adler: Got it. Anything else on this? Ms. Gallo? >> Gallo: After mayor pro tem made her comments about my comments. I want to make it very clear my comment was not to make sure that your department is not doing a good job if it

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was interpreted that way. I think y'all do a remarkable, amazing job. My concern was that I think that a lot of the things that you perhaps would recommend to be done can't get done because of budget constraints. So one of the things that I think that we should look at is if we are looking at expanding what we're asking you to do is that we make sure that we match that with budget dollars. >> Mayor

Adler: We have \$500,000 in this budget that we can choose to expel as we wish. Expend as we wish. Ms. Houston? >> Houston: My last comment, councilmember troxclair brought up a very good example of an audit. It was animal services, not only looked at medication and prescription, looked at intakes, how many people were intakes, rate of foster care. There was a broad range of assumptions. So it looked at the whole animal service operation and not just limited to a specific item or specific -- not entity, but it was not just limited to medication or how long, hours it took for people to call 311 and get animals picked up. They had a lot of information because they looked at the department as a whole, not incremental as this and, perhaps. >> Mayor Adler: Okay. Anything else on this? Thank you very much. Manager, thank you. That gets us then to the pulled items that we have on the agenda. We have -- we have about an hour and 10 minutes to work through this before we break for executive session. There's been a request that when we get to executive session, that we bring up the mercer item first, so I just say that out loud in terms of people, if that's doable. >> [Indiscernible]. >> Mayor Adler: Okay. And I hear that's the only one that we're going to do today, it will be up first. [Laughter]. So we have items -- not a lot of time, I would urge us

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to ask questions that we can't get answered in the -- on the question and answer, the q&a. Also, it's an opportunity to announce things to other councilmembers of -- because that's one of the primary purposes of this is as we collect as a group that we can speak to one another or ask questions of one another. But we'll go through this item. Yes, Ms. Kitchen? >> Kitchen: I would ask if some councilmembers have to leave and use that as priority instead of just going through the -- so I -- >> Mayor Adler: There's someone that needed to leave here at 11:30. Was there something that you wanted to have brought up before you go? >> Gallo: I can just briefly talk about the ones that we pulled. The one number 5 appraisal district, I just want to understand the process because in an appraisal for the year, it's actually the value as of January 1st of this year. So 2015 appraisals. But this conversation I think would be good to have on Thursday so that the public can hear that, but just to understand, that was my question on 5, just understanding exactly what this was saying. But I think that should be a conversation on Thursday. >> Mayor Adler: Okay. I think several people have that question, a response from staff in writing to us or in the backup would be helpful. >> Gallo: I think it's good for the public to hear that discussion, too. >> Mayor Adler: No, no, I'm not saying instead of. But even in preparation for Thursday, it would be helpful to know the appears appears -- the answer to the question, since property is appraised on January 1 of every year by the appraisal district, what is this I think is the question. Ms. Gallo? >> Gallo: Item no. 1, we haven't had any briefing that I can remember on sids. A little description from staff on Thursday about that what that is how the process work, that would be helpful, that was my request on that one. Number 20, this goes back to

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the metrics, we're being asked to renew a contract. I support the idea of tenant representation, my question in pulling this, we will do it on Thursday, also, to ask for the metrics on the company that has been doing this in the past, what have we achieved by spending this money because we want to make sure that the money is spent appropriately and to the best advantage to represent the tenants. So it's a metrics question, analysis of the previous contract and why should we renew it. What else? This was another one of those questions, we didn't have any backup, I didn't have any backup to this. We need backup. I would encourage departments to try to get backup to us before the end of the week before our council meetings if possible, that gives us a chance to really review it, without having to do it on the fly. >> I'm sorry? >> Gallo: 29. Once again, this number 48 is a matrix, there weren't any bid price details

in the matrix backup. There was a question about a local firm not being selected, the other question is not coming through Austin energy first prior to come before the council. We posted all of those questions. So hopefully we will get answers to those by Thursday. >> Casar: Mayor, I believe councilmember Gallo pulled item no. 56, I would like to discuss that briefly as well. >> Mayor Adler: Okay. >> Casar: We don't have to do it now, I just wanted -- >> Gallo: Absolutely. We've asked for information for what other for-profit

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companies have requested fee waivers and also just a discussion of a lot of not for profit companies pay their fee waivers, I just want to kind of get a sense of where we are on both of those. >> Mayor Adler: Okay. >> Casar: Since we're on the subject, at which time do you have to leave councilmember because I have a couple of comments that may help clarify some of your questions myself. >> Mayor Adler: Why don't you go ahead and address them, go ahead. >> Casar: Since you sponsored it, do you want to lay any of it out before I make my comments? >> Mayor Adler: We're moving through this -- >> Casar: I'm happy to then just make my comments if you just want me to make them, also. >> Mayor Adler: That would be fine. >> Casar: Okay. I've had lots of conversations about this issue over the past couple of years. It seems to me what we have on the table for Thursday is actually quite different than fee waivers as we are used to passing them because there's a marathon or a girl scout parade or whatever, all of the other things that we passed fee waivers for. My understanding this event is that there's -- we have serious public safety, mobility and resource recovery challenges amongst others with all of the different events that are happening during spring break. The reason that I think that I could support this with some amendments is that it does not really seem to me that if we do this proper -- if we do this properly, it will -- we can make this so that it is not waving -- waiving fees for south-by-southwest that the corporation is not willing to -- let me take a step back. In conversations with south-by-southwest, they have made it very clear to me that they are willing to pay for their costs. So I don't think we should be waiving fees for someone that is willing to pay for their costs. However, it seems to me that the way this is laid out in

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ordinance is that we are getting to a place where we can roughly do our best to estimate what the costs are that they can pay for, that we can attribute directly to them, but then we still have our public responsibility to make sure that people are safe and that the streets are clean. And that mobility -- there's some sort of mobility plan. I don't think that this ordinance clearly enough designates their specific costs and which ones are ours, but I don't think we can necessarily get there quickly enough to make sure that this event happens in the way that is as safe and clean as we expect it to be between now and March. So the modifications I'm going to suggest, and I don't have hard language for it now, but I will by Thursday, is that we make it very that we ask our city staff to work with the organizers to come up with not an economic development plan, but with a real public safety, mobility and cleanliness plan for the coming year where we designate what costs are truly attributable to south by southwest and which ones are really in the public's responsibility. And that we have that sorted out because this is not an economic development deal in my view where there's a but for argument where if we waive certain fees that south by southwest is going to come to Austin this year. They are going to be here and continue to come here. I think the only place that there is that but-for incentive argument is for the free shows on public land. I think there is reason for us to incent and potentially waive fees to ensure that those shows are free and open to the public and continue to happen. Don't want to disincentivize those activities and I think there might be some argument there, but other than that this really is not like the

other fee waivers and economic development agreements that come before us where we're trying to attract something that may not happen if we don't

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incentivize it. This is going to happen and we need to make sure that the private parties that are able and willing to pay for their usage do so, but at the same time we know we have a responsibility to pay for public safety and cleanliness in downtown that we can't bill people for every public service that we provide because that's what public services are for, we have to provide them. So in conversations with the city manager I asked there is actually a whole section of just authorization of expenditures to make sure that the streets are clean and that the barricades are up. That we think are appropriate. My understanding -- I'll review this with -- continue to review this with staff is we don't have to pass this in ordinance because the city manager will -- should in my view ensure that the streets are safe and clean to the level, and safe to the level that is acceptable in this city. And if we budgeted for it, then it really should be up to the city manager to decide how much to spend and how to make sure that the city is safe and clean and not for us to incent some sort of authorization for a maximum or minimum to be spent during spring break. If the streets still have trash on them we need to find some way to get trash off the streets. If the streets are still dangerous we need to find a way to make sure they're safe if we happen to pass an ordinance this Thursday or any other Thursday. So the specific modifications I'm going to explore and suggest are waiving fees for free shows, having some rough proportionality on costs. And I think that it comes out to about 50/50, \$150,000 on their side, 150,000 on ours. And for future years that there be an actual agreement if possible, if legally feasible, where we say this is more or less what south by southwest costs are on the city and that's what -- this is what they're legally responsible for paying

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for. And this is what the city of Austin is just responsible for because we've got a lot of people that are coming downtown and utilizing a wide variety of services and retail and bars. And really sorting that out. I really don't see it as an economic development deal, although there's obviously a lot of economic development and economic activity that's occurring, but there really isn't an incentive agreement that I see happening here. I just see it as us trying to sort out how to keep people safe and how to keep the streets clean. And which private parties we can legally bill for some of those services. >> Mayor Adler: Ms. Kitchen? >> Kitchen: I want to quickly add that I think the concept of moving towards a longer term agreement is important because I'm concerned about lead time. It's December and this event is in March. I think it would do us all good. Whatever those provisions are to work towards some lead time and to consider if appropriate a multi-year agreement. >> Mayor Adler: Okay. Mayor pro tem? >> Tovo: Councilmember Casar, I think I mostly agree with you, but I'm not entirely clear. Maybe I should say I'm not entirely clear on what you're saying or proposing. >> Casar: I was figuring out as I talked. >> Tovo: I think quite a bit of it I agree with. I don't want to hold you to language, but I'm trying to understand what you see as your amendments and as how you see that as different? >> Casar: I want to not include the payments authorized section and just leave the city administration and city management to the city manager to choose how to keep the festival area and downtown clean and safe. So primarily I don't think, from my understanding, I don't see the necessity of us including that in the ordinance, but I want to continue to review that with budget and legal. >> Tovo: Okay.

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But you would then just set a cap or something like that for the total fees waived or have a provision in there that talks about a split? >> I believe if you do the math there and just cut that out of the ordinance it looks -- it basically comes out at a 50/50 split. >> Tovo: So in essence you're considering removing an amendment that would remove payments authorized by city departments and that would eliminate about 140,000 from the ordinance in terms of the total fee waiver. >> That's right. Because I think it creates ambiguity from the public on whether or not south by southwest owes us that money or not. And as far as me understanding is this is included in the ordinance of authorizing the city manager to keep the spring break area clean, which -- >> Tovo: I see. Which of course they're going to do. That's an interesting point. Okay, thank you. And I think we can have a fuller discussion about this. I think for me one of the reasons why I feel very comfortable supporting these fee waivers is because of south by southwest economic development, benefit to this city. And I think I'm one of the people who has said, you know, that I support a multi-year agreement with this organization and that we should use the kind of scrutiny we use for other economic development agreements. So for me that's really about how we make those decisions and less about the characterization of that. But I understand your point -- >> Casar: I believe that we use those economic development agreements to best gauge the added economic value generated because of the incentives that we grant. In this case I don't see that being as much of a factor because we are south by southwest's home and so I think the difference is it makes some sense in what I'm looking at here where we're waiving fees for parking spots to be empty so people can load

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and unload their music equipment. And the vast majority of those musicians aren't performing at south by southwest shows, they are just performing in the general area of south by southwest. So I think that in a longer term agreement we can clarify what south by southwest's responsibility is for paying a vacation of those parking spots, for example, and what things are just legitimately city responsibilities because we like the fact that we have lots of musicians from all over the world, loading and unloading their equipment, some of whom are playing at south by southwest shows, but the vast majority of whom are just playing in the downtown area. And I think clarifying that will I think hopefully have the public understand where there is subsidies and fees being waived to a particular organization and where it's just what is happening downtown during spring break. I think those need to be separated. >> Tovo: I think that's a good point. And I take your point about the but for clause and whether this applies in this. Generally I agree that we should be talking about fee waivers generally and looking at other revenue options and I know the staff are getting ready to present some -- a response to one of the resolutions that came forward in the past, but with regard to south by southwest, how we characterize it is less than if it is something we support and if so how. And make sure it's not an item from council each year for consideration, but something we do in a thoughtful, analytic manner and move forward. You raised some interesting things to think about as we move forward and consider what framework we're going to use to evaluate this kind of a deal. >> Mayor Adler: Ms. Houston? >> Houston: Thank you. There are several items on the agenda that say a city co-sponsored event. At some point I would like to know what the definition is and have a deeper understanding of what that means for the city as a financial -- our financial responsibilities to whatever organization it is. So some of them say city co-sponsored. Others are just asking

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for fee waivers. So I'd like to know what does that mean for us as a city. >> Mayor Adler: Okay. I agree with what everybody said in conversation or discussion of this item. And I also believe we should get to

a multi-year place. And I can get to the end place on lots of different paths with this particular event. You know, it brings \$300 million into the city. It is the Christmas season for a lot of our live music venues, which raise 30, 40% of their yearly income. During this period of time whether associated with south-by or not associated with south-by and I think it's important to preserving that in our community, I also believe that just because they're having a big event doesn't make them responsible than for all public safety and community functions that are happening in downtown. And even though they represent a small portion of what that group is. So on lots of different paths I get to the same place and hopefully we can move this ball forward tomorrow and I agree, Mr. Casar, with you, and the mayor pro tem, that we ought to come up with some sort of system, and Ms. Kitchen, that we're no, ma'am coming back with this every year. Okay. Next thing on the agenda -- is there anything else, Ms. Gallo, that you wanted to pull before you left? >> Gallo: I think the other items other councilmembers had pulled also. >> Mayor Adler: Ms. Garza, on the E.M.S. Question, do you want to address that? >> Garza: I guess I wanted to recommend that this go to the public safety committee and if that was going to cause any issues with E.M.S. Or if anybody -- that was just my suggestion on this one. It hadn't gone through a committee yet. It seems like it's reducing the ranks of three staff or classifications. So that's what I'm going to be doing Thursday, suggesting this go

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through committee. >> Mayor Adler: Okay. Is there anybody here from public safety, E.M.S.? Is there an issue with respect to the time delay? >> Afternoon, mayor, mayor pro tem, councilmembers, jasper brown, chief of staff for austin-travis county E.M.S. So waiting our pausing would just hold us up in hiring because right now we don't have any entry level positions so we would not be able to hire anybody in until this happens. And we currently have seven open medic two positions and we won't be able to fill those until October of 2016 through civil service process testing. So we're trying to fill vacancies in the most efficient manner. We don't want to reduce all our medic position two's down, but we've done the medic one's in small amounts and not big groups. We're currently at 11 and looking to go to 14. So we're trying to fill vacancies and reduce overtime and fatigue for the current staff. >> Mayor Adler: Okay. Good information. Maybe something you can look at between now and then. Thank you. Yes, Ms. Kitchen? >> Kitchen: I'd like to suggest the next item if we're done with this item. >> Mayor Adler: Okay. We're done with this one. Thank you. >> Kitchen: I'd like to suggest we go with item 76. It's relative quick. We might be able to get through it before councilmember Gallo has to leave. I wanted to pull that because I wanted to briefly lay out for the councilmembers what we passed out of the mobility committee and then just -- I don't know if anybody has any questions or not, but just to -- just to afford that opportunity if anybody has any questions or anything they want to say about it. You know, we started this process in the spring. We all know that it's been a great educational process. We've been working with the staff. The staff pulled together for all of us to go to -- to pull together items for us to discuss with our -- with

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our districts. And I have to say from the perspective of my district it's just been a wonderful opportunity to both educate and hear back from my district on what they felt like was important in improvements. And it's been a very good, collaborative process with the staff and with the community. So the committee dealt with the issue at our last committee meeting and the recommendation that we are bringing forward is that each of the councilmembers should submit a list of their priority infrastructure improvement projects to the staff totaling no more than 1.9 million. And that's to the city manager, atd and public works. And a lot of the councilmembers have done that already. I know some of you all are

working with your district on your lists, but we wanted to set a deadline of the end of December just so that we could get this moving forward. We addressed the amount because we thought that that was the clarity that was needed for all the councilmembers as well as for the staff. So we arrived at 1.9 million, which leaves the remainder of 2.8 million for citywide projects. And item number 2 is for the -- we said up to. So if a particular district felt like their district projects that were priorities were less than 1.8 million that would be okay, but it wouldn't be more than 1.9 million. And the remainder amount which is at least 2.8 and maybe more is used by city priorities to be prioritized by the mayor. And then the last part of the resolution just directs city manager to expend the 21.8 million in line with the -- not in line with, but to expend that -- those dollars to pay for the

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improvements that were identified by each city councilmember in the priority list that they submit. So again, in the mobility committee we just wanted to make sure that it was clear and also for the public and for others? We are all working within the expertise of our transportation department and really appreciate the work that they have done in identifying priority projects that fit with the criteria for things like public safety, safe routes to school, access to bus stops, all of those things. And the exercise for us in our districts is an exercise to add an additional layer of information to the information that our transportation and public works staff is bringing forward. And that's feedback from the community on the ground and the information that we receive as councilmembers in representing our districts. So I will be -- if people have questions, I don't know if my fellow committee members want to say anything. Councilmember Gallo or councilmember Garza, did you want to add anything? >> Garza: I guess I just want to add the history of this funding and how it was -- the previous council could have spent it and in fact there was discussion about spending the majority of it in north central Austin. And I appreciate the fact that that council recognized that there was going to be a huge shift in the council makeup and that councilmembers might want to spend it a little differently. And I really think this is an opportunity to be really responsive. I don't see this as any kind of precedent that we will be splitting up funds like this. I feel like this is a one-time shot to be able to hit those small

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things. There's -- the district I represent often feels neglected and rightly so, especially parts of del valle that a lot of people don't even know is part of Austin. So I just think that we've done a great job of divvying this up and it's a great opportunity to be responsive and show great results. Constituents often -- it's so frustrating to say we have to the way, we have to wait for funding and I think this is a great opportunity to be responsive quickly. I'm glad -- I'm really happy with the work that we did on the mobility committee. >> Gallo: I want to mirror what's been said by both of you. It's been a really exciting process and I think the community has been so engaged in it. We've been very careful in our conversations with the community and we've talked about traffic safety. We've spent a lot of times talking to -- actually meeting pta presidents and presidents of different schools to talk about safety issues for our children, which is really important to all of us. But we've been really clear when we said that we may suggest things that the transportation department comes back and says this just won't work. So it may be on the list, but it may not work from a feasibility stand off so they may be cutoff. And we also say this is a one-time opportunity. This is not something that will happen in the future, but it's our opportunity to really address some of those needs and for the part of the population that was concerned about 10-1 plan working, I think it's been really good public relations project to show them that they do have people that are representing their neighborhoods and understand the different issues in their neighborhoods. So you think you can dance it's just a really good opportunity both from the

standpoint of getting traffic safety issues addressed, but from a traffic issue standpoint from the way this new council was selected and the way it's working is working.

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>> Kitchen: Yes. I would end by saying the same. The folks in district 5 really have appreciated the opportunity to talk about what's going on in their district and we did that with our transportation staff and public works staff who are absolutely phenomenal in coming with us to meetings in our community and in our district and helping them understand. I would echo what has been said. There's no expectation that this is anything other than a one-time opportunity to address some immediate needs quickly and in a way that engages our constituents with our staff. >> Mayor Adler: Let me explain real quickly what I've handed out because it's my hope that this is -- this is for me? >> Tovo: [Inaudible]. >> Mayor Adler: My hope is the mobility committee and council will consider doing something like that. I will start by saying the process we've gone through is one of the best things we've done this year. I think it's engaged a lot of the community on those recommendations. I've been to a lot of those meetings around the city in the districts. And I think it's been an incredibly valuable process and I want to honor that process. And I'd like to see us do more of those kinds of processes. The way this is actually coming up at the end is of a concern to me. It's a concern I expressed when it was before the council before. It's a concern that I expressed when we changed the language of the original resolution to go -- the money would be divided up equally to saying it would be divided up equitably. And my fear is that we move back. And I am concerned. I hear the councilmembers saying hey, no precedent here. We're never going to do this again. I think there's a parks bill that's coming up right after this and people are going to want to buy that money up and spend

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the parks money reasonably is my fear. I think the same rationale would exist. We would go back to the community and ask the community to tell us what they would like to do about parks. I could see us in a slippery slope that that troubles me. I do think there's important feedback for the staff to get. I think when it went back to the mobility committee and it did not hit the mark in terms of what the mobility committee worked, I think that was real good information for the staff. I would expect staff to go away and consider that information, perhaps incorporate some of those questions or concerns. I know that with respect to some specific things, like in councilmember Garza's district there aren't the same number of transit stops so if you set a frame or filter tied to something in an area that starts off that district at a disadvantage we need to take a look at adjusting the frame or the filters associated with this. What we've handed out and what has been I think posted on the bulletin board and if not it would be posted sooner, something along the lines of something I would like to be considered, it takes out the number kind of by district, even suggestion of that. It asks for the manager's office to -- transportation to come back with an updated recommendation taking into account the feedback that was received. It changes the filter somewhat, what they take a look at in order to make it more equitable by district. It asks the manager to come back and explain why something doesn't make the list, if it didn't make the list. Also it sees if there's an alternate funding option for things that a district would consider to be real important are, also setting up a timeline. But also because these are projects that we wanted people to see quickly. We want them to say that there's action being done. That these things go back and be considered priority projects within the universe of projects

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that are set up. I just think we've done an incredibly good job as a council of sending a very clear negligent to the community in a year's worth of work that we're going to decide things based on what is best for the overall city. We're going to look at things ewittably. And my concern is right at the end of the year when we did this we'd be sending a contra message. And I think we can still honor the work that's been done. We can honor the feedback is that was received. We can still move forward and celebrate all of that, but do it in a way that -- from a policy standpoint and practice that will lead us in the best place. Mr. Renteria? >> Renteria: Mayor, I agree with you on that because in the past here, just the recent past, we've spent a lot of money on our trails and bicycle safety routes, and my big concern is that we do have some really nice bicycle trails influences my neighborhood, and I'm sure the city has spent a great amount of money on that. But when we're looking at building these kind of safe routes we need to make sure that they get completed and I know that there's one section left in -- a couple of sections left in my district that needs to be completed and I'm sure that right now the safe route people came and was talking about the ones up north around north of the UT area that needs to be focused on. So I too believe that we really need to focus on completing some of those projects and not go and split the money and the way we're doing it now. I'm really concerned about that are we going to be doing each one of these programs where we're going to be piecemealing these projects and they will never get completed if we don't have enough funding to complete these. So I agree with you that

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I went out in my neighborhood and I asked what can be done to provide the most safe routes that are possible for our citizens out in the streets or on a bicycle or running on trails. And bicycling on trails to make it safe and connect so you're not out there in the middle of the street. And risking injury. So I just hope that we focus on really looking at the big picture in Austin and in the future. >> Mayor Adler: Mayor pro tem? >> Tovo: I wanted to start by saying I appreciate the work of the mobility committee. We've set up a interesting process and it worked in district 9 and we've had a lot of ideas. I appreciated the transportation staff when they attended our session of really making clear to people that while not all of the projects that were identified could be funded, that they were going to use these and use the email feedback that we got to really compile a list of priorities moving forward. But I agree with the points that councilmember Renteria and the mayor have expressed. I think it's really critical how we handle this and I was somebody if I didn't express them I had reservations when we considered the initial resolution and was very happy with the change that made it clear we're not taking this body of money and splitting it up among districts. I think it's really important that we not set out on that path for a couple of reasons. One is the reason that's already been identified. You know, we had a similar discussion at our parks committee and there was interest among at least one member in taking that parks grant and splitting it up. And we had a conversation about whether that's really the best way to spend taxpayer dollars. I believe that we need to make those expenditures based on need and based on equity issues and not an equivalency across the districts. And frankly, I look at

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something like Georgian acres park and I think that was a great need that we all agreed on and it was -- and there was not an equivalent expenditure in every other council district, but I believe in the end that was the right way to spend the money. The other thing I think that's really important to consider, we got calls all the time about sidewalk issues and pedestrian beacons and other transportation infrastructure issues. And you know, we are always extremely helpful and responsive and send those requests on to our city staff, but as we always tell the members of the public, those are not final decisions that reside in a council office. That's not -- that's not a policy maker's decision. We will make sure that you are going

through the process of being evaluated, but in the end we rely on our professional staff. That's what our charter does. We rely on our professional staff to make those decisions about what the highest needs are from a health and safety standard. And I believe strongly in that that in the end, you know, you don't want Kathie Tovo making a decision about what the higher safety issue is with regard to a pedestrian beacon. That's -- I will help you accumulate information from the community about where they see the needs and likely those are going to correspond with what the transportation department sees as a need, but I believe that those final decisions need to reside in our staff and that based on the information that we've provided and they've accumulated. >> Mayor Adler: Ms. Houston and then Mr. Astar and then Ms. Troxclair. >> Houston: I think this was eye opening for the transportation and public works department because people are very engaged when it comes to transit options. And sidewalks particularly in the district. So they got very engaged. We had things on the list that Pio -- councilmember Renteria and I probably know about like trying to get a connection or take

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something over to the trails so there's a path. So the transportation department can't know about the day-to-day, on the ground realities of people's lives in the district. And this was an excellent way to get them out of one Texas center and on the ground so that they understood the realities of what was going on. It was also a way for me to get more engaged with capital metro and the Texas department of transportation because I have in the district roadways that have all of those entities and what's possible on the state highways. So I thought it was a great exercise and I too want to say, mayor, I don't want transportation just to say no, but to come back with no but these are some other options that could be used because people are very clear about the lack of connectivity throughout the district and they want to see something immediate. I appreciate the work that's been done and we're ready to get our list in before December 31st. >> Mayor Adler: Mr. Casar? >> Casar: Very briefly because I don't want to repeat things that have already been said. I appreciate this process and speaking to the council offices and staff about what they see as priorities, just as another data point, but I have to respectfully disagree with cutting the money up and defining it by districts that have already been laid out there. And for what it's worth, some community members actually put together a comparison chart of how much money each district would get if we did the staff recommendations and chopped it up equally. And if we chopped it up equally, district four would get a smidge more transportation dollars,

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but it's not a good enough reason for me to do that because I think debating on the needs is the best way that our body can function for the city and sometimes it turns out that based on political boundaries that are ultimately political bands more money gets invested in or somewhere else. I appreciate y'all listening on Georgian acres park and making that investment because of the need. For that reason if it turns out that district 4 gets a little bit less than some other district based on the need, that's just fine. That's the way this thing goes. >> Troxclair: Because the issue has been brought up not to spend the money equitably in districts. I want to point out this is an equitable solution with each district. The money is still being distributed equitably. And overall this amount of transportation money is such a small amount of the money we're spending on transportation that it means that allowing us to have more direct input on how that money is spent in our district does not preclude us from addressing transportation from on broader perspective on a citywide basis. So I don't think the argument is either or. We're not going into a politics system or addressing citywide issues. We are clearly spending the vast majority of our money addressing transportation issues from a citywide basis. So I guess the feedback I've gotten in my district based upon the small amount of money is people are really overwhelmed and

overjoyed that, yeah, a small sidewalk or crosswalk or flash is light or some of the inexpensive projects that are big deals to

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the local community may not always make it to the top of the city's radar. This is one of the opportunities to be responsive on a microlevel, again, while still addressing our citywide transportation project. So I appreciate the work that councilmember kitchen and the rest of the mobility members have done on this. And I hope we can move forward in spending the money on the individual projects and we all benefit. >> Mayor Adler: Councilmember kitchen? >> Kitchen: I would like to echo that. This money is really a drop in the bucket and one of the things that -- information that might be helpful to folks that we've been working on with the transportation department and haven't been able to bring forward yet, but maybe we can speed it up to you, goes to councilmember Renteria's concern and maybe some others' concerns too, is the kinds of high priority things like the completion of the corridors, the completion of the bicycle plans and those kinds of things, they're already on a list to be funded, but we don't need the quarter-cent to fund them. Those bigger projects. This quarter cent was designed for -- because it's such a small amount it's designed for these smaller projects. And I will get that -- I'll work with the staff to get that information to you all before Thursday so you can have an idea of the long list of other projects that are already slated. And that might be helpful to you in thinking about this. The other thing I would say is, councilmember tovo, the fact that one councilmember may have brought up divvying up money by districts, that's not a new idea from that particular councilmember. And it's not particularly shared by other councilmembers. So I don't think it's indicative of how we should act on this

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particular item. I mean, this item is something we've been talking about since may. And one of my concerns with-- with all due respect I can't support this amendment because it pushes it back several months. In addition, we'll be talking about such a small pot of money for almost a year, which makes no sense to me in the the scheme of the bigger things we should be spending money on. And it's a process we've already been through. The process that's in the proposed amendment, with all due respect, is what we've been doing. So what the mobility committee just attempted to do is to provide some clarity for us and for the staff and it's clarity that gives people some benchmarks. It doesn't say it has to be 1.9 million. It just gives that as a benchmark that provides some guidance for our staff on an intent. I think we should finish a and get it done and that's where I'm at. >> Garza: I want to add that I in no way think I have a better judgment than our transportation does. They are absolutely the experts in this. But when - - going off of what councilmember troxclair said, there's a -- Ms. More real is in my district. There's a sidewalk that bothers her everyday and she wants that sidewalk fixed. Do we put those -- do we consider that when we make that list? We don't. And this is just a small pot of money to be able to be responsive to our districts and I think

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it's a great opportunity for us. And the larger projects will probably be addressed through bonds and bond votes we're having. I know we're having those discussions now, how do we divvy up the larger money and larger projects. I want to speak again to the precedent. The issue of the parks did come up and I'm sure councilmember Zimmerman doesn't mind. Everyone knows he's the councilmember that wants to split things up evenly and he brought that up at the parks committee and it was made very

clear by the three other councilmembers there that's not the direction we want to go. We don't think we should be doing that. And I believe it was mayor pro tem that commented and said, you know, the quarter cent fund is something different, but that's something that we might try, but we're not going to do that. We're not going to set the precedent that we're divvying up this money equally. I think we've all made it really clear that that is not the direction that we want to go with even that parks money. We said let's see where the need is greatest. Where is the need greatest for parks. >> On the parks block grant during budget conversations we said that that money was to be used on the list that staff had identified as the areas of highest need. And that was the conversation throughout budget so that money was never intended to be split up among the different districts at all. So I feel real confident that that is how that's going to work and I have had conversations with director Hensley and staff and wanted to make sure they knew that's where we were coming from. I wasn't at the last open space committee meeting where that item came up, but vice-chair Garza handled it and it was reiterated at that meeting as she just now mentioned it, that was the direction that we had articulated for

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staff on the block grant, which is just over a million dollars, which is considerably less than the money that we're talking about for the quarter cent. And the other thing I would say is I've engaged my constituents fairly aggressively and deeply on this issue and just last night in fact the Wooten neighborhood got together specifically to talk about projects that would benefit their community. And they're bringing me a list of things they would like to see done. I will be able to add them to the list and hopefully we'll see how the money is distributed. But I see this as a one-off opportunity to discuss lingering concerns that have been in the community and to do swat approaches on fixes. >> Okay. Any further discussion? Manager, do you want to weigh in on this? You've seen a lot of council's work, what do you think about the implications? I think the last time I spoke to this money up in dividing money equally among districts I think was in budget process and there was a conversation like that and the issue may have been raised by councilmember Zimmerman if I recollect right. And incredibly I did offer caution at time and I think the example that I used was the city street inventory and talked about that there's a certain science and methodology associated with how you go about making those investments and prior to that analysis and details of pavement management survey. I think I talked about all of that so we rate them in terms of all the way from excellent to poor condition. It's that kind of information and other kinds of information that drives the decisions about where we invest money as some division of the resources on a district basis. I think that that is a that kind of analysis in

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terms of where we make investments gives us the best opportunity to optimize, to best use the tax dollars that we get. That said I do recognize that this is a district-based environment. I'll let that speak for itself. And that said I recognize that what I just described at times doesn't get to the day-to-day relates that citizens that live within those districts sometimes are confronted with. Sometimes you want a stop site plan and there's no analysis and no warrant for it. But the reality can be simply by installing it they feel safer and so you have the benefit of making that investment even though the analysis may have told you something different. I think the work of the mobility committee has been really good work. I certainly applaud it. I know that my transportation experts applaud it. I think it has served to inform them in ways that we might have otherwise not understood as I alluded to earlier in the realities in a district or individual districts that are coming to terms they think are inadequate in terms of level of service that they're requiring. S.o.s. I know Mr. Good and Siller have taken -- Spillar have taken that into account. I know they have a recommendation that they've offered. My assumption would be -- I don't

know in particular, but my assumption would be that they've taken all that into account in the various districts and taken that into account in making the recommendation that they have for the mobility committee to consider as this matter makes its way to the council. But as I said a number of months ago during the budget process, with respect to, you know, investments that we make, certainly when it comes to transportation issues, there's a

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certain science and method associated with how we as the subject matter experts recommend to you how dollars should be invested. >> Okay, thank you. I would ask staff, when this comes up on Thursday, I know that you reissued your recommendation Friday, I think, Thursday, Friday of last week, to take a look at this draft amendment or substitute. And when you give your recommendation on Thursday also address whether or not this is something that would work or is more consistent with what it is that you would recommend. And my hope would be that we could be responsive to the community and still be very quick about how we do it and setting it as a priority so people would see these things on the ground. Ms. Garza? >> Garza: I want to speak to the example the manager gave. And I guess I can only speak for myself, but the example of putting a stop sign where one isn't needed, I don't think that that is in any way -- the things on our list -- I know that was just -- >> [Inaudible]. >> Garza: Yeah. I just want the public to know that I certainly wouldn't advocate for a stop sign just for a stop sign. In fact, there was some crosswalk issues when school was starting and the school staff reached out to my office and was like, you need to get out there. Why aren't they out there putting this crosswalk there? And we talked to transportation and transportation said that might not be the best place for the crosswalk. We need to go out there and observe the traffic pattern and then we'll have to go out there and see. And we relayed that information to the school and said, it could be a safety hazard and let's let transportation do their job and then we'll figure it out. So I just want to be sure that the public knows we don't have -- I don't think we have the intention of creating stop signs where stop signs shouldn't go. They're all things that are on the list already.

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They're just not prioritized a certain way. >> I agree with that. And perhaps your example was I think perhaps better than mine, but the part that I did like that I think is consistent is that there can be a perceived need and in terms of that very deliberate sort of science associated with how we evaluate that. The outcome can be different. The conclusion can be notwithstanding any perceived need, it's not warranted to do that. So I absolutely agree. >> Houston: Thank you. I don't want to belabor that, but I must. This has been a need that has been forever on Manor road, no sidewalks. So people are walking in bike paths and motorized vehicles are driving in bicycle lanes because we don't have the connectivity on Manor road, which is a heavily traveled thoroughfare, to get to transit. So those are one of the -- that's been like that for years and nobody has paid any attention to it. But the people pay attention to it and so that's one of those things that's a high priority on my list. >> Mayor Adler: Okay. Ms. Kitchen? >> Kitchen: Let me clearly, so it's clear for informational purposes, we're talking about policy decisions here that I think is appropriate for the council to make because we're operating within a list that's been prepared for us with the expertise of our transportation experts we're not just taking things from scratch. And when it comes right down to the decision that has to be made about it and that's our job and we don't have all the money in the world for everything. So anyway, I've already said everything else. I just wanted to clarify what was said before. These are not just projects that are --

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[inaudible - no mic]. They're working within the -- [inaudible]. >> Mayor Adler: You turned your mic off, but I think you were done. >> Kitchen: I'm sorry. We're working within the expertise of our staff. >> Mayor Adler: Thank you very much. We have a little over 10 minutes. I want to hit three things real fast because I think it's important for the public. Short-term rentals. How will we handle short-term rentals. On Thursday I see there was a suggestion that we move this to the 28th of January. And hold the public hearing then. There was a question about whether or not we could handle or should handle next week the question of removing, testing the market provision. The question I have for legal is can we do that without having a full public hearing on Thursday and a full public hearing on the 20th of January? Thursday is -- and then put off until next month, January 20th next month. That would have us back here on Christmas or something. >> The council would have to close the public hearing to take action. In order to only have one public hearing, council would have to hear public testimony on the ordinance in its entirety. It could close the public hearing on Thursday and then decide to take action on parts of the ordinance at that time. And bring the remainder back in January. However if the council's will is to limit testimony to only certain portions, meaning if you indicate today that you only want to consider one or two parts of the ordinance, council would still have to close the public hearing, take action and then set the public hearing for the remainder of the ordinance. So the public has to have the opportunity to

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testify on the entire ordinance before council takes action on all the parties. >> Mayor Adler: So if we wanted to take action on removing that portion, we could say today on Thursday we will consider removing that portion and we'll take public testimony as to that portion, but nothing -- no testimony other than that? We could do that and reset it to the 28th and take it up then? >> You would have to conduct another public hearing on the 28th, but yes. >> Mayor Adler: Okay. Mayor pro tem? To do that we would have to set another public hearing for the 1-28 agenda. >> Correct. >> Tovo: Okay. And just -- I know that we can't talk about items on the addendum, but there is an item on the addendum related to this issue that would set another public hearing for the 28th. >> Mayor Adler: Is there any problem with us setting on Thursday a public hearing on the 28th? When that item is not on our agenda to be considered on Thursday? >> There was an addendum that was posted yesterday that addresses this particular issue. >> Mayor Adler: Okay. >> Kitchen: A quick question. What does that do to the effective date? Can we take that item and go ahead and pass it and it's effective and it's done? Or do we have to bring it up again as part of the whole ordinance? >> No. If the council was to take testimony in one piece, close the public hearing on that piece, take action on that piece on all three readings, then the next time you take up the short-term rentals, it will already be incorporated as part of the city code. >> Mayor Adler: Can you prepare for us so that we have it available a standalone ordinance on that one component? >> I can, but it will not be available until tomorrow afternoon. >> Mayor Adler: I understand. If you could do that, that would be helpful.

[11:52:17 AM]

But I think that -- my sense is that lot of the council, without taking a vote, is not have the main public hearing or consideration of str until January 28th. Okay. The next item then I'm going to pull up here to discuss is the parkland dedication matters. >> Kitchen: One last question, I'm sorry. You go first. >> Houston: I was just going to make sure that we're clear. We could take up the one of two items -- one item on Thursday, close the public hearing, repost at some point. And then have the whole -- >> Mayor Adler: On the 28th of January. >> Kitchen: Are we setting a time certain for this? >> Mayor Adler: No. For the public hearing on the question of whether or not we should take out that one provision? >> Kitchen:

Well, on the whole subject. I'm just thinking of the public, what should they think about -- >> Mayor Adler: Keeping in what we were doing, on this meeting we were trying to create a sense for the community whether they even need to show up or not. And to the degree that they want to show up about whether to take that one provision, I think we're making that fair game, otherwise we're suggesting that they shouldn't need to show up. In the sense -- and if the sense of the council is different than that you should speak up. Ms. Tovo? >> Tovo: It's set for 4:00 public hearing so maybe we could -- I would certainly favor taking that up right away at that time. So just to be really clear we're talking about at least considering the testing the waters provision. Are there other provisions -- I'm certainly open to taking out more of that, as much of it as we feel like we can handle on Thursday. So this would be a good time if we're trying to communicate to the public what we might take up if there are other items that people might feel are critical for Thursday, just to mention them. >> Mayor Adler: Don't see any. Ms. Pool?

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>> Pool: Could you list the other items that would be in -- that we could discuss? >> Tovo: I think we could discuss as many as are in the ordinance, but if our -- I mean, for me the piece that's really critical is the testing the waters -- I pronounced that like something else. [Laughter] Testing the waters provision. I would feel comfortable if that's all we accomplish on Thursday, I would say that's a good start, but I just want to hear from colleagues so that if we have people who are opting out of coming and then we suddenly start taking up additional provisions, I think we'll all be trying to communicate pretty quickly with those constituents. >> Pool: I would say that the testing the waters provision would be a good one to take up to Thursday and delay the rest of it until January 28th. >> Mayor Adler: All right. I'll move on to the next item. I want us to address the parkland dedication issue. My understanding is there's going to be a motion to postpone this in such that it would not be considered on Thursday. Is that your understanding, Ms. Pool? >> Pool: Yes. There were some significant amendments to the parkland dedication fee ordinance from -- it's item number 92. Item 92. >> Mayor Adler: So I think we're just alerting the public to fact that probably on Thursday the parkland dedication ordinance will not be considered. >> Pool: And additionally I will ask that the provisions that are added come to the open space environment and sustainability committee for review. >> Mayor Adler: Okay. Any other further conversation on this? Ms. Tovo? >> Tovo: Can I hear from director Hensley? It's been an extremely long process. I said when we postponed it I'm really eager to get those enhanced dedication parcels. I'm eager to get the enhanced ordinance on the books so that we

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start benefiting from it. On the other hand, I have to say I'm very concerned with some of the amendments that staff are bringing forward on Thursday. So I'm really torn on this. I wanted to see us adopt our new parkland dedication ordinance, but I was really pleased with what we had before us and I'm really less so with what we have. If you could just speak to how you see a postponement impacting the work that you're doing. >> Sarah Hensley, director of parks and recreation. Obviously, yes, this has been a long, arduous process. And from the questions we received at the previous council meeting we went back to do more homework. We met with our friends of groups, parks foundation, trail foundation, shoal creek conservancy, a couple of parks board members, to go through it and then they met with all the other folks who were at council speaking out against the parkland dedication fees, primarily not the fees, but other information. Since that time we have sat down with the whole group and what we have and what you have is a document that the staff are -- we are recommending because we feel like it is a good reflection of hard work, looking at the urban core and compact and connectivity

and then looking at outside that. I can't speak to the concerns that you all might have, but I can say that the impact of delaying it is just meaning that if projects are in the queue those dollars that we would have received from it being passed would not come to fruition, and we have most of our stakeholders who have said they would like to see this go ahead and go through and not be delayed. So that's what I can speak to.

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>> Pool: And mayor? >> Mayor Adler: Yes, Ms. Pool. >> Pool: When we heard the parkland dedication changes on first reading and you had brought up some -- the mayor was blue skying some additional amendments to it, I did ask at the time that any substantive changes come separately so that we could pass the needed fees increases and make those changes that have been pending for so long. And I was surprised to find that the more in-depth and substantive changes were continuing in the ordinance. So if it's the will of the body what we could do is simply pull out the ordinance as it was passed on first reading and proceed with that on second and third on Thursday and take up the amendments that the mayor had instigated and have more time for the rest of council to review them because I think -- I don't even think the mayor has had much time to review them. And I know I haven't. That may be shared by the rest of the folks around the dais. I see the mayor pro tem nodding. That is also an option, mayor, that we might do on Thursday is move forward with the necessary pieces that we have already vetted and then take the time to review the new language. In January. >> Kitchen: I just want to -- >> We've worked very hard with all the stakeholders, particularly reca and real estate council, home builders association, apartment association, evolve, which I can't for the life of me remember exactly how, but we've worked with all of those downtown Austin alliance and then all the other friends of parks groups and I -- I don't want -- if you delay it that's your decision. Obviously that's your decision, but I can honestly tell you we've worked diligently to come to what we believe is a good resolution that will not impact density and the opportunity for growth

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downtown in the urban core, but will focus on compact and connectivity. We did put in which may B >>> An issue, an appeal please that would go through the parks board and to the land use commission. But -- but, again, I -- I made a commitment when I met with these folks after we spent so many hours working through this, that -- with our parks board members and our other stakeholders that they all seem to agree that we would try to put this forward so in the best interests of the city as a whole. It is obviously the will the council and we will respect that. >> Mayor Adler: Yes, mayor pro tem. >> Tovo: Councilmember pool were you envisioning this would be on the January meeting of the open space and then it would hit council again on the 28th? >> Pool: Yes. >> Tovo: I guess -- the more we talk about some of the amendments, the more concerned I become. I understand after almost a year of stakeholder processes, that there were some stakeholder groups who weren't happy with the ordinance. But at the end of the day, I really appreciate all of the work that you did to go back to the drawing board and hear their input. At the end of the day, we may have to make a decision in the best interests of the city, but is not necessarily supported by every stakeholder in our community. I think we need some time outside of the meeting, maybe also at a committee meeting to really to see whether the resulting ordinance is something that is -- that we can support at council. >> I understand. >> Tovo: So anyway, thank you. >> Mayor Adler: I think the community is looking for us to give them some direction as to whether or not to show up on Thursday to discuss the parkland dedication ordinance. My sense of that is that we're going to postpone it for the month. Does anybody have a different sense the council here? Okay. Then I'm going to feel comfortable then moving for that on Thursday for the

community. The last thing that I want to hit is the tncs. And Anne you want to hit

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that at a high level. >> Kitchen: I know we're running out of time, I'll hit it at a high level basically so people have a chance to ask questions if they want to. I've got some background information that I'm passing out for folks just for you to have, to try to put some order to all of the -- there's a whole lot of information around this, but just to give you what I think are some key things. So then I would just say that -- that I think it might be the most useful for everyone if -- if -- well, I think that I can do this in about two, three, four, minutes. I'll just be quick. Just by way of background, just to remind everyone. As you probably all remember, what we're doing here is we're following up on the interim ordinance that the previous council passed a year ago in October of 2014 and that charged us to look at equity across all of the vehicles for hire and to set fees. And that we've been working with our transportation department on recommendations. We've been primarily focusing on public safety as our guiding policy and if people want to talk about that, we can talk about that more later. The committee has had four meetings, a briefing, a full public hearing, several policy discussions with the hearing and then of course the council back in October, the council voted nine to two to proceed with language to come back to us, which is what is happening now. And that's -- that's language related to the background check process and fees. And then -- then also the council voted unanimously to move forward with the fee language to bring back. And another thing that's happened in the meantime that I think everybody is aware of, but in case you're not, today there's another tnc called get me that is launching, they've gone through the process with the city and received -- received their authority to operate and they have already agreed to the kinds of changes that we're

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talking about. Another thing that I thought might be helpful for y'all to I passed out to you was an outline of the ordinance. I did that because there's a lot of language in the ordinance that is carried over from the interim ordinance, the way the interim ordinance was passed now that we're going towards a permanent ordinance, we've got to pull over that language. So -- so the document that I gave you that's called outline, that basically tells you which are the new provisions that the mobility committee is bringing forward and which of them are in the existing ordinance. So I'm going to take 10 seconds to just highlight what those are and then I'll stop because I know we're tight on time. There's -- the data reporting requirements, recommendations from staff to be clearer on the data that's required to be reported and that's a new one. There was geo fencing, which just has to do with where tnc and other vehicles for hire locate geographically for events and to the language relates to the tncs working with the event sponsors and staff to figure that out. Travel lanes and other safety requirements -- another safety requirement, prohibiting tnc drivers from stopping, standing, parking in the middle of a travel lane, so they have to go to the curb. That's a new public safety issue. Inspections, which is vehicle inspection requirements and other safety issue. Trade dress, that one is a safety issue related to identification of the vehicle. Part of it came out of the incident where the young woman was sexually assaulted after acl. She thought she was getting into an Uber car, she was not. This is a safety provision to work with the tncs on an appropriate way to mark vehicles. Insurance, we -- the only thing that the committee moved forward with on insurance was to stay with the state mandated insurance

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because the state in the previous session passed some requirements around insurance requirements for

tncs so the mobility committee is just not doing anything other than that. Just bringing that forward. Then, of course, the two major areas that we've talked about before and we talked about it in our previous council was the background check and the fees. Now, the fees are coming back to you with the same -- really the same language that was in the resolution that you all passed and that's the one where it provides different options. There's no change to that language. The -- the background check, there's additional level of detail in there and that really has to do with considering when fingerprints should start. And so there -- what the -- what this does is it proposes a -- we're calling it a transition period, a time period during which those tncs that decide that they want to operate in our community work with our transportation department on the workflow processes for developing fingerprints. So two seconds and then I'll stop. And those provisions that are laid out in the document I gave you. But there are things like developing processes that mitigate any perceived or actual barriers to obtaining fingerprints, facilitating fingerprint checks through fares and other activities that they can help with; considering assisting with the cost of fingerprints or waving fees; developing innovative processes to enhance the availability of services to prevent DUI's. So we wanted to specifically address the concern that some have about DUIs and then -- then there's also a time -- there's also language there about assessing the effectiveness

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of these different processes that are worked on during the transition period. So to participate in the transition period, a tnc would have to make a commitment and say to the city, that they are committed to working with the city and working towards, including fingerprints, at the end of the time period for the transition period and then this -- the -- the end of time period contemplated at this point is six months. So I will stop right now, I'll turn to councilmember Garza in case she wanted to add anything. I'm trying to be as quick as possible because there is a -- this is a huge issue. >> Mayor Adler: I think that councilmember pool had a question. >> Kitchen: I know that councilmember Garza is on the committee. Is there anything that you wanted to say. >> Garza: In the interest of time, I think you laid it out. >> Kitchen: Okay. >> Pool: Just a quick question, Seattle recently passed a couple of amendments to their tnc ordinance and one of them, that caught my eye, was on the app you have the ability to request a woman driver. For those women who may wish to have that additional level of security and safety. >> Kitchen: Uh-huh. >> Pool: Given the concerns that have been raised in the past in the sex -- and the sexual assaults that have occurred. So would it be within the purview of our work on Thursday to consider that as an amendment? I believe Uber and Lyft and maybe some of the other ride share companies are already accommodating that in other jurisdictions. May not be in Texas, but in other states. Would that be something that you would be interested in? >> Kitchen: I think it fits with the existing language, if you wanted to add specific -- because the existing language in the ordinance during that transition period, it talks about developing some, you know, some best practice ways to both ensure public safety and the use of technology, as well as actually getting the fingerprints done and there's an example or two in the ordinance, but they are

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listed as examples. So you could say to include -- and you could certainly add that if that's an example that you would like to add. I would also like to just quickly say one thing about the background check language that's in here. Because this is a point of confusion, so I think it's just important to take like five seconds on it. When we're talking about fingerprints, we're talking about an identifier. That's instead of - it's not weighing it's not fingerprint based background checks versus main based background checks. It is the -- the question on the table is using fingerprints as an identifier as part of that background check

process. The purpose there is to know -- it's a biometric identifier, to know that the person that you're checking on is that person, they're not giving you false names, they're not using aliases and stuff like that. Okay? That's all that I will say. >> Mayor Adler: Go ahead. >> Troxclair: For -- has there been a time certain contemplated? If not, can I request like a 2:00 P.M. Time certain on this item? >> Kitchen: Can I speak to that? >> Mayor Adler: Yeah, let's get to a time certain here in just one second. I just want to address the issue of substantive issue. I think, you know, based on the evidence and the testimony that I've heard, I think what we hear from our public safety people is that we have a safer system if we have fingerprinting as part of the background check that we're doing. In conversations with our public safety leaders, I also think what we hear is that we are a safer community if we have an

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operating and viable tnc transportation network company operating because of its impact on dwis and the like. I am real uncomfortable feeling like I have to pick between those two things. Because I'm not comfortable picking either of those safety things as being preeminent or I mean I -- I don't like that position. So I'm looking forward to working with the -- with councilmember kitchen and the other members of the mobility committee to see if there's a way to accomplish both things. I am mindful that if we were to adopt something that did not require fingerprinting and just left it optional, then we're going to have services operating in our city that are not as safe as they should be, and I'm not comfortable doing that. At the same time, I think that we have to look at the practical reality of any of the votes that we take. If we were to take a vote to require this tomorrow, we're going to lose the two tncs as a practical matter, I think there's a high risk that we would lose the two tncs that are currently providing that -- that service in our city. And regardless of what I -- what I think about any particular players, I'm uncomfortable with the practical result of my decision being something that will make our community in some ways less safe. I think there are ways for us to be able to get both of those. I think there are things that we can do, so as to incentivize the conduct and the behavior that we want to have in our community that would make real clear that in this community we want to have tncs that provide background checks that

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include fingerprinting. And I want us to be able to get to that place without losing tnc coverage in the city and I look forward to working, Ms. Kitchen, with you and other members of the committee to see if there's something that we could craft to bring to the council on Thursday. Ms. Troxclair? You were asking a question about a time certain, Ms. Kitchen, do you want to respond to that. >> Kitchen: Yeah, I think we need a time certain. I wanted to suggest 7:00. Now, I know that's a little later. The reason for that is that there are some folks that want to come and speak, because you know we have limited testimony. So earlier in the day will not work and so that's why I wanted to suggest 7:00. >> [Indiscernible]. >> Kitchen: Well, if I thought we would be finished by then, I would suggest earlier. But no, I kind of think not. So -- so that's why I think it's important that we set a 7:00. >> Troxclair: Can -- even though we're going to have limited public testimony, I do not think that the council discussion on this issue will be short. And 7:00 is much later than we really ever set time certain and so is there someone in particular who can't -- who is it that can't come? >> Kitchen: There are some people that may be testifying that need to leave from work. So I -- so I can explore 6:00. If -- if that would make you more comfortable. But -- but I would respectfully request on behalf of the committee that we make it 6:00 or 7:00. >> Mayor Adler: If you could check and see. My sense is that with what we're doing on the agenda, you know I say this all of the time, I'm not sure that we are actually going to go that late, given the things that we have taken off. I understand. But why don't you check and see if the folks can be

there at 6:00.

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But I would be voting myself to accommodate -- this is an important issue, if you have important speakers on invited or limited testimony. I think that because it's going to be limited speakers, there's going to be some speakers, you know, limited number on each side. >> Kitchen: Just the four and four. >> Mayor Adler: I think there may be some particular resource witnesses that councilmembers may call as well. To come and testify. >> Kitchen: I think that -- I think that it would be helpful to understand that ahead of time so -- because I think we may be talking about some of the same things when we're talking about resource witnesses and the four and four. But we can work that out if anybody has anybody in particular that they would like to make sure is speaking. Then of course like we did last time in front of the council, we had each one of the tncs come forward and they spoke for three minutes but then the council had plenty of time. I think we went we went probably 30 or 40 minutes. I want to reassure everyone that the expectation is that all three tncs, the Uber, Lyft and get me would be there to be able to have questions from the council. >> Mayor Adler: Okay. Yes. Mayor pro tem? >> Tovo: Just in terms of the timing, you know I think sometimes we have set things at 6:00 or 6:30, we break for music and proclamations, there's seven operations, I wouldn't guess -- seven proclamations, I wouldn't guess we will be waiting long until 7:00. I think that's the most realistic time, especially if it accommodates the speakers I would definitely support that. >> Mayor Adler: I think that's a really good point. >> Troxclair: I guess, number one, I want some clarification on the -- what speakers we are expecting because when I thought about -- what I understood was that we were going to have yes, representatives from the tncs and I don't know who else and so for the -- for the expert witnesses or the resource witnesses that you anticipated coming, actually

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I assumed that during the day, I mean, a hearing that's late into the night would probably be less convenient for those people. So I want to -- I guess I'm still trying to understand what -- why we wouldn't try to take this up at 2:00 or 4:00 or at some time before 7:00. >> Kitchen: Because the speakers are not available at that time. You can look at -- we have done this before. The last council meeting we had speakers, talking about the same type of speakers, so -- >> Troxclair: I guess can you -- can you say -- I'm just -- >> Kitchen: I will post -- as we are finalizing, I will post, I'm just saying now before 6:00 is too early. >> Troxclair: Is there a group we're trying to accommodate, a specific person we're trying to accommodate? The people that I have talked to have expressed interest in having a -- having something earlier in the day, I didn't anticipate that being a problem. >> Mayor Adler: If you have people that want to speak earlier in the day that can speak earlier in the day and not later in the day, then I have no problem with opening the public hearing at that point and letting people who can speak earlier speak if they want to. If people can't make it until later in the day, recessing the hearing so that other people can speak later in the day. >> It's not a public hearing. >> Mayor Adler: The opportunity to speak. >> Kitchen: I think we're talking about the four and four, which is the -- if I'm understanding correctly from everyone, that's what we did last time. So I was just thinking that we would do this the same way we did last time, which was the four and four. If there's a sense that people want to do that differently, we need to know that now. >> Mayor Adler: I misspoke about the public hearing. The people that we have, we have four and four people speaking. We have the tncs that will be speaking and then -- the tncs that will be speaking, other invited resource witnesses. Some of those may overlap and some will not. >> Kitchen: Last time our resource witnesses were part of the four and four. If we want to do it differently, I want to know now -- I understand what you

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are asking. We can certainly post the list when we get it final so people understand that. But what I think I'm trying to avoid is on Thursday having people called up as resource witnesses that none of us knew or some of us didn't know were being called as resource witnesses. >> Mayor Adler: I'm happy to work with you on that. There are some people that I want to hear from with respect to public safety issues. I wanted to make sure there's an opportunity to be able to call them if -- >> Kitchen: Sure, that's fine. You may be thinking the same thing, councilmember troxclair, if there's people in particular, anybody else for that -- >> Mayor Adler: I'm going to ask the question this way. Do you have people that wanted to speak in the afternoon that couldn't be there in the evening. >> Troxclair: I guess that I was just operating because almost always in the past we have done, when we have done time certain, we have done like 2:00 or 4:00, that was the assumption that I was operating under. Moving it to 7:00 seems like it would be less convenient for a lot of the public safety professionals, the industry resources, the other expert witnesses that we were -- that I understood were kind of the only people that we were expecting to come testify. So I'm just confused about the time. But I will -- >> Mayor Adler: I'm going to accommodate both. We're going to have the hearing in the evening, the public talks. But if there are resource witnesses that can't be available in the evening, then we want to make sure that they testify during the day, then I think we should give them the opportunity to do that. We shouldn't by how we're setting our clock prevent testimony that -- that the councilmember thinks they need in order to make a decision not being able to speak. >> Kitchen: I'm understanding that we're saying that in the context of the four and four. We're not adding Numbers, right? >> Mayor Adler: Well, I don't know -- it's four, four and four against and then people who are speaking neutrally just answering factual questions, I don't know those people are advocating on one side or the other side. >> Kitchen: I'm trying to

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understand so I am clear. >> Mayor Adler: The only people that I would think would be outside of the four and four, subject who is a subject matter expert that we are calling and asking for testimony as opposed to an advocate for one side or the other. >> Kitchen: Okay, we're going to set that list before Thursday. >> Mayor Adler: Yes. >> Troxclair: I'm sorry, who sets that list? >> Kitchen: Well, what I'm suggesting and if you all agree is that give us names and I'll post them and I'll work with the mayor on that. >> Pool: I think under that approach then we can identify who can be available to speak at what time and then we can address the expectations of when this will come in front of us on Thursday. >> Kitchen: Well, I can tell you right now that -- that -- >> Mayor Adler: Some people will definitely need to speak after 6:00, some people may need to speak earlier in the day and we'll try to figure that out before we get there. Anything else? Yes? >> Tovo: Not to belabor this, but do the tnc folks come out of the four and four. >> Kitchen: They did last time. That's why I want to be really clear on what we're doing. They came -- you know, the testimony last time was four and four and the tncs, if I'm remembering correctly, were part of that four and four. So I want -- I just want clarity so that we know what we're doing before Thursday. >> Tovo: That makes sense to me. Of course just for the public I want to be really clear, I don't railroad our staff to be resource witnesses and I absolutely reserve the right to call any and all of our staff whether or not their names are posted -- >> Kitchen: I'm not talking about staff. >> Tovo: I just wants to make it clear for the public, that's not part of the speaker limit. But before -- I know we need to move on. I want to thank the mobility committee. This is a really challenging issue. At least one of you has been the target of very personal attacks and I just think that you have done a very good job of addressing some of the gaps that are in our existing ordinance and I'm very supportive of the recommendations that you are

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bringing forward. >> Mayor Adler: Before we recess to go into executive session, I do want to know one item, item no. 54, just because I think it may go through quickly. This is the work that the staff did in putting together a regional proposal to the tceq on dealing with wastewater he should's raised by some of the smaller communities, like dripping springs trying to develop around us. Two things I think were pretty remarkable about this. One was just the reach with respect to the different kinds of stakeholder groups as well as the fact that we reached a place that folks are in agreement and working on. But most significantly this grew out of -- out of a regional move unlike anything that we have seen ever or in a long time. On a very controversial issue. It began with the work done by staff, Chris Harrington and Mike Personette, you did a great job. We had at one point a room of 60 regional leaders, gathered together to see if there could be common ground reached on an issue which cut to the heart of environment as well as development and the fact that you have been able to get this to this place I think is remarkable and a wonderful step forward on regional work. I wish -- we have all talked about, this is a manifestation of that and you guys did great. Thank you. >> Mayor? >> Mayor Adler: Yes. >> Pool: In that vein if I may really quickly. Two things, item 77 which councilmember Casar had pulled, I just wanted to alert everyone, or he may want to, that we have made some recommendations to fill some municipal judge positions and substitute judge positions, so that will need to be ratified on

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Thursday. And also on item 69, which was the second -- second piece of lobby reform, our campaign finance reform that I had led on, that is the lobby registration. You may remember that we had concerns raised by an array of stakeholders and we were able to come to agreement entirely with the ordinance and the language and I really want to mention that as a piece of celebration because that was really key and I thank Stewart simply, who headed up the stakeholders, the work that he did with my league and my staff, the other stakeholders and the league of women voters, [indiscernible] For the really intense work that went into this lobby registration piece. This is the menu of guidance to the city manager to go and bring us back an ordinance. This is the resolution phase. So that's item 69, which I am really happy about. >> Mayor Adler: And you should be congratulated, too. You put a lot of personal time and effort into that and did a great job. >> Mayor? >> Casar: Councilmember Gallo pulled an item, I thought we were going to discuss it. She left but I wanted to flag it, homestead preservation item. It's very preferable that we get that done before the end of the year because the tax increment reinvestment zone is activated on a year by year basis. If we don't in this upcoming budget utilize that tool, we need to get that done this week and the resolution has taken some time to get here because we've heard it so many times in committee and tried to shape something that's fiscally responsible, but really putting lots of funds into the [indiscernible] Placement and combating gentrification work of HPDs he also allocated funds to be spent in high economic areas, integration westward as well, I'm going to hand out a map of where the preservation home districts

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are that we are proposing to pass this Thursday and to -- a breakdown of how the funding would work. I really recognize councilmember Renteria for his hard work on this and getting it to the council agenda just in time. >> Renteria: I really want to thank my colleague, Greg. You know, he came up with this solution where it wouldn't affect our, you know, our ability to -- to have future tifs and kept the percentage down just enough so that we could in the future create other tifs when the need comes to

the city. I really want to thank you for that. For that hard work. >> Mayor Adler: All right, thank you. Thanks both of you for that creativity. The city council is now going to go into closed section to take up one item, pursuant to section 551.071 of the government code, the city council will discuss the following item, E 3, legal issues related to mercer et Al versus city of Austin et Al, cause number 113-cv-830 and in the united States district court for the western district, items E 1 and E 2 have been withdrawn. If there's no objection, hearing none, the council will now go into executive session.

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We are out of closed session. In closed session we took up and discussed legal matters related to item E3, mercer versus city of Austin cause number 113-830 United States district court for the western district of Texas. The business having been concluded, the work session is adjourned.