

**AUSTIN CITY COUNCIL  
MINUTES****BUDGET WORK SESSION MEETING  
WEDNESDAY, MAY 4, 2016**

The City Council of Austin, Texas convened in a Budget Work Session meeting on Wednesday, May 4, 2016, City Hall, 301 W. Second Street, Austin, Texas.

Mayor Pro Tem Tovo called the meeting to order at 9:16 a.m. Council Member Renteria was absent.

1. Presentation and discussion on policy topics related to the fiscal year 2017 Financial Forecast.  
Presentation was made by Elaine Hart, Chief Financial Officer and Ed Van Eenoo, Deputy Chief Financial Officer.

Direction was given to staff to include as a topic for a future work session a discussion on the budget process that Council would like to use during the FY17 budget adoption and include time at the beginning of each budget work session to recap or ask questions arising from the previous budget work session discussion.

The following topics were discussed:

- **Tax Rates, Utility Rates and Fees Discussion**  
Direction was given to staff to provide Council with the following: the median non-senior homestead taxable value for FY15; the information contained on slide 7 in a different format; information on the source used to calculate the hypothetical monthly budget; a breakdown of the increase in the beverage tax over the past couple of years; information on how the hypothetical monthly budget compares with other cities; add the Hotel Occupancy Tax as a possible future topic for discussion; the information provided in the hypothetical monthly budget for lower income residents; details on the impact of implementing additional exemptions would have on the average property tax bill; an analysis of a generational exemption that would allow a family member who is retaining a home that has been in the family and if it is allowed under state law and what the fiscal impact would be; and include a 6% increase in the general homestead exemption in the list of options; chart that would provide a projection of the competitiveness of Austin Energy; remove cities outside of Texas from the 2016 National Water Bill Survey and use different colors other than blue; Legal to provide a response on the definition of “cost of service” in relation to the budget conversations.

Mayor Adler recessed the meeting at 12:17 p.m.

Mayor Adler called the meeting back to order at 1:22 p.m.

**DISCUSSION CONTINUED**

1. Presentation and discussion on policy topics related to the fiscal year 2017 Financial Forecast.

- **Civilian Wages and Employee Benefits Discussion**

Direction was given to staff to provide Council with the following: a comparison of salaries and cost of living between the City and the public entities used in the Public Sector Benchmark slide; provide details on the plan to address positions that are found to be below market value and recommendations to bring those positions up to market value; chart at that compares salaries including benefits; total cost of increasing the living wage to \$13.50 for full-time, part-time and temporary employees; a breakdown of departments that are impacted by the increase in the living wage; analyze the ability of Council Members to create job titles and pay staff outside the standard city salary ranges; provide details on if there are any contract employees that are not covered under the living wage requirement; information on the amount recommended that would be needed to implement a combination of across the board pay increases and pay for performance; a list of Texas cities using pay for performance based for employee pay increases; the criteria for gain sharing used by the Convention Center and Aviation; compensation of retired city employees when they return to work; list of variable of health plans offered by other cities; details on the performance of the incentive programs; clarification across the enterprise funds on health insurance availability of 1099 contract workers; and details on recommended plan design changes to the benefits package.

Mayor Adler adjourned the meeting at 3:13 p.m. without objection.

The minutes were approved on this the 12<sup>th</sup> day of May 2016 on Council Member Zimmerman's motion, Council Member Houston's second on an 11-0 vote.