

# City Council Budget Work Session Transcript – 08/31/2016

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[9:29:59 AM]

>> Mayor Adler: All right. I think we have a quorum so we're going to call to order our Austin city council budget work session. Today is Wednesday, August 31st, 2016. It is 9:25. We're in the Austin city council boards and commissions room, 301 west second street. We have a presentation today, which is the preadoption work session briefing. We also had on the calendar a briefing and discussion of the appointment of the city manager and the appointment of the interim city manager. If someone wants to discuss that, I would point out to my councilmembers that Mark Washington yesterday posted as backup to the council item basically three pages. One page was kind of the general timeline which he had previously given to us. One page was the -- kind of the possible division of responsibilities or functions, roles that the mayor pro tem and I posted on to the message board a week ago. But there's also a third document on it that's new that Dr. Washington posted, and the third is kind of a general outline of the elements that would go into an rfq, a request for qualifications for search firms that might be able to help the city through the national search for a new manager. And on Thursday, tomorrow, I would see us discussing that briefly to see if we're ready to give the nod to staff to initiate that rfq.

[9:32:06 AM]

I urge everybody to take a look at that third sheet. Other than that I don't see us talking about that issue today. We have a briefing on budget, we should then talk about the budget concept menu if we can as well as to take a look -- next week is obviously the memorial day weekend so we're off on Monday, labor day, sorry, labor day. We don't have any other meetings relating to the budget next week and we come back the following week possibly to start talking about budget adoption and what budget should be on the 12th, 13th and 14th. And I want us to consider agreeing to be with each other next week, at least at some point, to talk through budget stuff. I'm not sure whether that would be the sixth, seventh, eighth or ninth. I would urge everybody to take a look at their calendar because we will have that conversation later about whether there's a benefit for us to get together next week. As you will recall, last year we made use of that time to kind of narrow issues before the last week. So let's start off with the budget issue. Again, I don't envision executive session today -- I don't see us in executive session today.

>> Tovo: Mayor, I wanted to get a sense of the day, and thank you for providing us with that overview. I was hoping that today we might start to get some sense of where we are in terms of council priorities and needs in terms of assistance from staff and things of that sort. I know we may kind of end here for an early lunch break because some councilmembers have an event.

[9:34:06 AM]

And so if -- is your expectation that we would come back this afternoon to try to hammer out -- again, I would really love to have some time to ask some additional questions of staff and talk as a group about priorities and things of that sort just so we can get some sense of where we are today and where we need to be by next week, where we need to be by the following week.

>> Mayor Adler: I think so. I think that we have to do that work today. Let's see how long this presentation is because I think we're going to be into that pretty quickly. So let's see what -- we may have a couple of hours to do that, so let's see.

>> Tovo: When will we break for sure at splurge.

>> Mayor Adler: Is it 11 we need to? We'll break at 11:00 for lunch. Ed?

>> Good morning, mayor, mayor pro tem, members of the council. Ed van meanio, deputy chief financial officer and budgets officer. We have a very brief presentation. Shouldn't take more than 10 minutes, to provide you some staff updates to the budget since we did our overview presentation with you on July 27th. I'm joined on my right by Elaine hart, the city's chief financial officer. All I wanted to do in this presentation is provide for you the amendments -- from staff the amendments we know we will be bringing forward to council on September 12th. It's a fairly short list and I believe a fairly benign list, but there are always a few changes and corrections that occur from the time staff delivers the budget to council typically in July to the time council takes action on the budget in September. So I'll go through those fairly quickly. Then we wanted to provide you updates in regards to our five-year revenue and expenditure forecast. That's something we provided to you on July 27th and just wanted to revisit that with you and provide a quick update as well as updates to our major rate and fee changes. That was something that I believe that the mayor asked for in light of the new Austin energy rates ha council has taken action on as well as taking a fresh look at our overlapping tax bill analysis. That is what I will do over the course of the next five or 10 minutes.

[9:36:09 AM]

The first amendment we have is in the general fund. It has to do with the 21 positions in the planning and zoning budget for the capital area planning organization. The city has served for many years as a pass-through agency for those positions. We that's that was going to continue on into fiscal year '17 and that those positions would transfer over to Williamson county as being the fiscal agent for that agency in fiscal year '17. It turns out that we're going to completely have severed our ties with the campo staff in fiscal year '16. They will transition over to Williamson county so we don't need those 21 positions in the fiscal year '17 budget. There are no savings with it because they're completely paid for by campo, but we're eliminating the fte count. The second one is in regards to our debt service funds -- yes, ma'am.

>> Pool: Can you explain what the impact is or anything about the decision, why it was made, the campo decision? If we're removing city of Austin staff from campo and -- does that mean that the voice -- I know it's not changing our representation on campo, but if our staff are being removed from that work, what effect does that have on our advocacy or just the work that we do with regards to the metropolitan planning organization? Is it our staff?

>> Greg Guernsey, planning and zoning department. It will not have an effect. We still maintain our board seats. We were kind of their liaison and campo made a decision to have another governmental entity, Williamson county, to take on that responsibility. So in the past we would provide hr services and basically finance services, and they followed the city's policy. And they just elected to change that to Williamson county.

>> Pool: So do those people still have their jobs, but it's -- wilco is going to pay for them or did people lose their jobs?

[9:38:13 AM]

>> The position goes to Williamson county. Those positions, employees since they were city of Austin employees, they can elect under our civil service policy to remain with the city and then they're going through those procedures now.

>> Pool: Okay.

>> I know one of them has joined my department recently and I think another is joining the atd department for those who did not wish to go to Williamson county.

>> Pool: So no one lost their job and the work is still going to be done.

>> They will be offered positions. Whether or not they accept them or not I think is entirely up to those individuals.

>> Pool: Thanks for filling me in on those details. I wasn't aware. Thanks.

>> Mayor Adler: And councilmember, that was something that was considered over the last four months at the campo meetings. And Delia and councilmember Gallo and I were involved in those conversations. That was primarily driven by the executive director of campo wanting to have control over their staff. And while their staff were employees of the city of Austin, they didn't have the control. That's what they wanted to move to.

>> Pool: So if the campo chairmanship moves to a different county, then do you think that those staff will also be potentially moved around to, say, hays county or something?

>> Mayor Adler: Don't know. I do know that the fact that -- my guess would be they wouldn't move to a location that had civil service requirements for employees. So whether they would move to a different county or different city, I don't know. But my sense was that the executive director -- the executive director's argument to the campo board was that as executive director of that organization he needed to have greater control over his employee group.

>> Pool: Did he define what that meant?

>> Mayor Adler: Boy, please don't ask me to articulate his position on that issue?

>> Pool: It's fine. It's a lot of people and I understand it's no fiscal impact to us, but it's affecting a whole lot of people.

[9:40:20 AM]

And I hadn't heard about it. And I read the paper pretty closely, but maybe I missed the coverage. I'm just curious. So thank you for the explanations.

>> Mayor Adler: Sure.

>> So the second item pertains to an ordinance that's on council's agenda tomorrow. It's an ordinance that council asked for, so staff anticipates it will pass, but it had to do with transferring the proceeds from the energy control center property that was located within the Seaholm district, transferring that to a new utility revenue bond reserve fund where those reserves will then be used to offset the cost of moving to the new control center. So this is an action that's on your agenda tomorrow. If council approves it, the fiscal year '16 budget would be amend and this action would allow Austin energy to take some money out of that fund, amend the fy17 budget to take it out of the that fund and use it for the purpose that council set forward. This is true just a true-up to what action we think will occur tomorrow by council. There it is. That's what I was just talking about. And we're really excited about having a new electronic fee schedule thing. If you look at our budget there is a lot of fees that the city charges and assesses, and up until this year it's all been done manually, excel spreadsheets and handwritten changes to the fee schedule. So we have a new electronic system, but getting to the new electronic system required us to hard key all those hundreds of pages of information in the budget document and there was a few keying errors. For example on the first one in Austin code there's a fee

that was put into the budget at 245 that should have been put in at 254. Just a keying error. Almost all of these were just keying errors. In development services, the variance site plan fees, they were left out when that keying was done, they were left out. We want to put them back in. No increase, just need to get the fees back into the schedule. For this planned unit development pud creation there was an increase that was proposed to align that fee with cost of service to move them on that particular fee to full cost of service.

[9:42:25 AM]

That increase was left out. Again, it was just a keying error. The next slide in regard to our temporary food permit, that was put in at \$200, which was a fee that was proposed years ago and denied by council. So I'm not sure exactly how that popped back up, but we want to put it back down to it's existing level of 145. Now, this final one was not a keying error. This would be an addition that's not currently in our fee schedule, but it pertains to a resolution that council passed on August 4th to create this new discount program for properties that install storm water controls that exceed the legal requirements. So council passed that resolution so we would need to add this language to the fee schedule to give the director the ability to offer that discount program.

>> Garza: Mayor, I have a question. The planned unit development fee, so you're saying the keying error was -- we didn't put the new amount in, we just left the old one. Does that in any way change revenue projections or was that just a mistake here?

>> No, the revenues were based upon them going to full cost of service, but that didn't get entered. So if that's not approved then the revenues would have to be reduced.

>> Garza: Okay. Thank you.

>> Okay. So we presented this to council on July 27th. It's also in our budget document. It's us taking look at not only the year 17 budget which we're proposing as a balanced budget, but we're trying to look downstream that the budget that council is adopting and staff is recommending is not only balance understand fiscal year 17, but it's also structurally sound and balanced into the future. You know, the one change that happened here is in fiscal year '18 we've seen our revenues come down slightly. And the reason they've come down is because council took action on Austin energy's rates.

[9:44:28 AM]

It significantly lowered their revenues for physical '17 and their general fund transfer is based upon a three-year average of their revenues. So when the revenues drop in fiscal year '17 it will have an impact on the general fund transfer calculation for fiscal year '18. That revenue reduction from what we thought it was going to be is a million dollars less and so right now we would be projecting -- we already knew that fy'18 was going to be another tight year, but right now at a very preliminary stage we would be projecting a deficit of one million dollars in the general fund as a result of that change in Austin energy. I'll go through some of the assumptions on here so you can understand that a little bit better. Another thing we want to do is we wanted to try to continue to update this chart and these numbers as we go through the budget process. So I think what we saw happen last year was there was a lot of costs that were deferred, programs that were implemented where the full cost of the programs weren't initiated in fy16. A lot of the costs were deferred to fiscal year '17. So we really want to try to create an awareness and be sure council is aware of anything like that happening this year. So for example, you know, when we delay hiring, you know, if we were to delay hiring by another three months in the fiscal year '17 budget surely that freeze up money to spend in '17, but there's a downstream sequence of that that we need additional increases in '17 to fully fund those positions. We're going to try to do a better job as staff to look at the downstream implications of actions that council might take during this budget

adoption process. The dotted line and the solid line just show our property tax rate projections and as you can see in fy'18 we're basically projecting we're going to be at the rollback rate in order to have a balanced budget in fy18, but as we progress into 19, 20, 21, it likes there could be a gap growing between the tax rate we need to balance the budget and the rollback tax rate.

[9:46:29 AM]

We get into some of the assumptions that might make more sense to everybody. The baseline cost drivers we're looking at, in fiscal year 2018, 2.4% annual increase in civilian and sworn wages. It's not necessarily that that's what it will be, but that's how we're forecasting those cost increases. Eight percent annual increase in health insurance costs. We are projecting a 4.6-million-dollar transfer from the general fund to the budget stabilization reserve fund will be needed in fy18 in order for us to keep in compliance with our 12% policy. So as the budget grows, the 12% requirement grows as well. So if our budget grows by, a million dollars, then we would have to add \$120,000 to our reserves in order to keep in compliance with that policy. The one thing that -- I would view that as a very conservative estimate because we're not even started fiscal year 17. So when we do that cation of \$4.6 million we're assuming that revenues will come in exactly as we budgeted and that expenditures will come in exactly as we budgeted. As you all know typically what happens is we're conservative on the revenues and we actually have revenues come in a little bit higher than what we budgeted. And our departments typically come in a little bit below what we budgeted for expenditures. So typically we have a little bit of surplus. But we can't project that at this early stage. So what this is showing you is that if everything plays out exactly as we've proposed in the budget, we project in fiscal year '18 we would need to have a transfer to our reserves in order to keep in compliance with the 12% policy. And then of course we include funding in fy18 projections to implement any ongoing initiatives such as costs that were of positions that aren't fully funded in fiscal year '17, so the positions are not funded for the full year. And for the police positions, the sworn police positions they are only funded for six months which makes sense because of the funding of the cadet classes they won't be hired on October 1st so it doesn't make sense to budget them for a full year.

[9:48:42 AM]

In development services they're adding so many positions that we've funded those positions for seven months just understanding that there's no way they're going to be able to get 40 positions staffed and filled and trained and all that stuff on day 1. And then for civilian positions we budget those at nine months. So by the time they start the recruiting process for positions that are approved in October, by the time they get filled it typically takes about three months. So we think that's all prudent, we think that all makes sense. We wouldn't want to budget for the full year expense of a position when we just know practically we can't get them hired on day one, but it's important for us to all understand that there's downstream consequences, there's cost increases in fy'18 that will occur because of us delaying of the timing of the hiring of those positions. We also have costs associated with onion creek fire station. That's a 2012 bond project. We expect it will open in time for fiscal year '18 and there's \$2.8 million in our forecast for that. That's one new company, 16 firefighters and one additional E.M.S. Unit, that's 12 paramedics. The sobriety center would be a cost of \$1.7 million in fiscal year '18. I think we have \$350,000 in the budget for it, but that cost will increase when it's fully I am policemened. And \$1.2 million in the fy18 budget for the new central library. And that new central library at that point would then be fully implemented, fully funded. I think just as important as what's in our forecast for fiscal year '18, I really feel it's important for council to understand what's not in there because we are already looking at this early, early stage at what I think will be a very tight budget in fiscal year '18 and we've not

included in the forecast funding for some of these things that we know are of importance to the city council, such as implementation of community-based policing and the recommendations from that study. They're not included in that forecast. Funding for five new fire stations, there's a resolution out there for council. We don't have that funding baked in to the forecast.

[9:50:46 AM]

Council's ordinance on the homestead exemption stated a goal of getting to 20% over I believe four to five years. Our forecast right now would hold it at eight percent. Increases in the senior and disability exemption, that would right now in our forecast would stay at the \$85,000 we're proposing for fiscal year '17. There's two resolutions directing us to look at ways to increase the funding for the housing trust fund. Those changes aren't included in our forecast. Increased funding for health and human services, the resolution from council on that would have us add probably in the neighborhood of \$8 million in fy18 to stay in compliance with that resolution. That funding is not in there, nor is the consolidation of the emergency services district number 4, which is projected at a million and a half dollars. So right now from where I'm sitting it looks like it's kind of a maxed out budget already for '18 and it doesn't include what I know are a lot of important priorities for the city council. So we're just trying to be as completely upfront and transparent about that as soon as possible. Looking at revenues, we are projecting 59.1 percent sales tax growth for fiscal year '18. That reflects a 10-year trend. I would argue that's not a conservative posture. I think it's a realistic posture. We had the 10 year trend from Austin energy as a result of the new rates that were established. That resulted in a million dollars less revenue from fiscal year '18 and two million dollars less revenue in the subsequent out years just because of how the three year calculation and the new rates are less revenue which is a benefit to our ratepayers. Development revenues are projected to residential at homework levels. That remains a concern of mine, but we have commissioned real estate experts in the community to analyze it for us and they're all telling us that they think this unprecedented level of development in the city of Austin is going to continue for the next four to five years.

[9:52:51 AM]

And so we are standing pat on our development services revenue being around \$40 million, which is hands down an unprecedented historical level of revenue for us, but I think it's something we're going to have to keep an eye on, something we'll have to eventually adjust to as these cranes around the city start to come down. And finally the property tax projections that you see on that slide, the property tax rates being calculated at the level that's necessary to balance against our forecasted expenditure growth, and it assumes continued strong growth in our assessed valuations and new construction. We are projecting rate declines in the future years as we're projecting values to continue to grow in the neighborhood of eight to 10 percent over the next four to five years. I know -- I apologize that you can't read this slide probably if you're watching on a monitor at home, but if you have a hard copy hopefully you can read it. This is our major rate and fee changes. We have updated it only to reflect the new rates for Austin energy. So back on July 27th we had projected \$1.74 increase for Austin energy under their existing rates. We're now projecting a 50-cent decline in our rates. That also changed the bottom line. We're now projecting a \$10.24 per month increase for your quote, unquote, typical city residential customer, taxpayer. That's an increase of only 3.3% over the current rates and taxes. Yes, sir.

>> Mayor Adler: The 10.24 is a 3.3% increase?

>> 3.3% increase.

>> Mayor Adler: The \$311.69, does that tie back to what the total monthly impact was when we looked at the budget that we entered into last year?

>> It does, but there are -- there were really two rates for fiscal year seen. There was the rate council adopted for September 1st for Austin energy.

[9:54:56 AM]

That was projected out at \$89.31 per month for the typical -- I'm sorry, that actually was higher than that. That was I believe \$92. And then council took action during the year to lower the rates in fy16 so I think in February, somewhere around there, you changed the psa, the rate for fiscal year '16 are now lower. So this reflects -- this 89.31 reflects the current rates today based upon the council action earlier in fiscal year '16. I have it down there in the footnote. At the time of budget it adoption back on October first the rate was \$92.49.

>> Mayor Adler: If I'm looking at this, if I'm a consumer looking at this chart, there were two actions that we took at the very end of fiscal year -- toward the end of fiscal year '16. One was we decided that we -- in the coming year we would do the homestead exemption increase and then in April of this year we voted to lower the power supply adjustment in the electric bills. Do you know what that took place?

>> The power supply adjustment?

>> Mayor Adler: Yes, the change.

>> I think we have mark here. Do you know the month when that went into effect? April 1st.

>> Mayor Adler: It was effective April 1st. And we have -- I don't know if this is a repeated conversation. My office is trying to look and see what we did over a five-year period of time with respect to the -- what people charged and what's happened over that period of time. So when we do that chart the chart that we're trying to prepare has us doing what we did at one point in time. So we're looking at what we did in April with a budget each year. That's what we said the next year was going to be.

[9:57:01 AM]

So if I were to do that, then a reduction that I do in April every year gets lost if I use the 89.31 number as opposed to the 92.49 number. So if someone were to look at this chart and say, what did you set up to do last year versus what you're setting up to do this year, what it would really show is a -- an increase of -- it would show us down at \$7 more than what we had said we were going to do last year. When we were sitting as a group last year deciding what it was that the budget would be, what taxpayers would pay, the number would have been what?

>> \$92.49.

>> Mayor Adler: So the total number would have been 92.49 in Austin energy. And when we were sitting here a year ago and we were deciding what people would pay, what was the total monthly impact? So it would be 311.69 whatever that delta is.

>> 314.87.

>> Mayor Adler: 314.87. So from year ago we're going from 314.87 to 321.93, which is an increase of --

>> \$7.

>> \$7.06, is that right? Why isn't that the way that you report that on this as a fee change relative to where we were last year?

>> We talked about doing it three years and I think there's three reasonable ways to do it. Would be to say here's how -- here's our fees and taxes and changes. Here's how it compares to where we were as of October 1st. There's another way to look at it is where are we actually today? Council -- council changed the rates, so maybe we should compare it what the rates are actually today.

[9:59:05 AM]

And then we also talked about then doing a blended average because the truth of the matter is the Austin energy customers, for -- the typical customer for roughly six months of the year paid \$92.49 a month and a then for the next six months of the year or five months of the year paid 89.31. So we talked about doing a blended average, but we thought that might cause more confusion than it was worth.

>> Mayor Adler: Maybe better you prepare this chart than us because you have better access to the numbers. What I would like to see is year to year how that's changed. So if you could give us a chart going back five years or so where the councils were in April when they were approving their budget each year. Because that would enable you to apples to apples in this year. So this year's budget is not a blended number. So we have to use the budgeted number that we're coming up with now. So if you would use that same number going back so we would have a five-year plan, I would just like to see what's happened.

>> That will be an easy one. We can do that as a budget question so everybody can have access to it.

>> Mayor Adler: That would be great.

>> Mayor Adler: At the conclusion of the budget process, what was or decision about what taxpayers would be paying?

>> I understand that the average usage has changed over time for both electric and water customers so we would need to reflect average usage in each of these time periods over time.

>> Mayor Adler: And really what we're trying to see from that is what do we think the average person would be in each of those years. So use whatever the average water usage was in that year. Use whatever the -- the average home value was in that year. Don't -- don't make it -- don't use the same average home value in five years because it changes over five years. So use whatever in that point of time the average taxpayer in Austin in that period of time was looking at this.

[10:01:10 AM]

The average taxpayer in Austin the next year was looking at this. So the constant will be whatever the average person was at that time.

>> That's how we've been doing it. Just for example, the 89.31 or 92.49 for Austin energy, whatever number you pick, it's based on assumption that the April the Cal user will use 895 kilowatts. By the time that is done if it ends being 890, we will use the historical number. The history we can dial into. What usage actually occurred, it's solid data, but the current year and the future years is always kind of based on a guess what the usual will be. You will actually see you will capture the reduction of water usage over time, the electricity over time.

>> Mayor Adler: Let's use apples to apples. So whatever the criteria is for the fiscal 2016-2017, use that same criteria for the year before and each of the years before that.

>> That's fine. This chart would be a lot easier if we just had fixed fees for everything like we do in the transportation fee.

>> Mayor Adler: Right. Thank you. Ms. Houston.

>> Houston: May I ask a question real quick? You probably have told us this before and I have forgotten. In the transportation user fee we've increased that to \$1.75. Remind me why we did that.

>> There are significant staffing additions proposed both in the transportation department and in the public works department. A whole variety of mobility programs and projects, try to help with some of our traffic congestion problems and that's really what's necessitating the increase in fee. Transportation department is adding engineers and other positions.

[10:03:12 AM]



I could pull up my budget and go through some of the significant changes or we could ask one of the two directors to come join us in more detail.

>> Houston: That brings it back.

>> We're adding almost I think 22 positions alone in the transportation department and quite a number in the public works department as well.

>> Houston: And then the other thing, does every single family home pay a transportation user fee?

>> Every single-family fee pays a transportation user fee. If you are over 65 you can request an exemption from the fee. You have to request it. It's not an automatic exception, you actually have to fill out a form.

>> Garza: I have a question.

>> Mayor Adler: Yes, Ms. Garza.

>> Garza: I remember the presentation from transportation and there were lots of buckets that they had and it seemed like most of the fees they were asking for did not come from the general fund. They were from this other revenue. Is that right? So -- I'm not saying we're going to do this, but if we didn't approve those fees, this increase wouldn't be there because they are using this increase to fund additional fees. So if we -- this fee could be lowered depending where we end up with the total number of fees.

>> It could be lower. I couldn't say there would be no increase because they still have to cover citywide cost drivers, wages, health insurance, but it would certainly be lower. It's possible it could be lower but we would have to look at that if we were not to add positions.

>> Houston: And one more question to segue from councilmember Garza's question, are some of those positions in order to facilitate the passage of the mobility bond?

>> No, they are not. I would anticipate we would come back to council with staff for public works and transportation and conceivably in other departments needed to implement the program on the aggressive time frame that I think council and community wants to see it implemented.

[10:05:24 AM]

I think it's likely that a lot of those positions would be funded through the capital projects themselves so the project staff, the engineers that are needed to do the work, they would bill their time to the -- to the projects. And so it wouldn't be a fee impact, per se.

>> Houston: So that calculation is in the \$720 million?

>> Yeah, part of the \$720 million would be the staff costs associated with implementing it.

>> Houston: Okay. Thanks.

>> Mayor Adler: Okay? Continue. Mayor pro tem.

>> Tovo: I have some other questions, not that I think staff will be able to help with but not related to this presentation.

>> Mayor Adler: Let's go through the presentation.

>> Tovo: I didn't realize there was more.

>> Mayor Adler: I don't know. Looks like there is.

>> I just have one last slide, and it's our overlapping approximate. The only change in community college we did not have the information we have from community back on July 27th was they were going to hold their tax rate at its current level of .1005. They actually had a tiny increase in their tax rate related to debt. So all these numbers look exactly they do in the budget, on the July 27 presentation with the exception of the community college. The only thing I would highlight is on the far right of those tables we're projecting an overlapping, combined property tax impact bill to your typical residential homestead homeowner of \$394.91 annually with \$295 of that, almost \$296 of that coming from the Austin independent school district. So the bulk of it is coming from the school district, but I think you just can't overlook the fact that the school district's recapture payment to the state under the robin hood school

financing system in fiscal year 2017 is \$406 million. So I think it's a big part of the school district's financing challenges.

[10:07:28 AM]

I don't have the dollar amount. I asked for it but didn't get it in time. In terms of how much of an increase that 406 is from where it currently is, but I do know that it's a very significant increase and if aid sends me the amount in time -- actually I think it just popped up. Yes, in fiscal year 16 it was 273 million. It's now 406 million. So they are looking at \$134 million increase in their payment to the state under the recapture system. So that's a huge part of that \$295 increase over there at the school district. That's my final slide.

>> Garza: Mayor, can I make a general comment?

>> Mayor Adler: Yes.

>> Garza: I guess I just want to comment on slide 7 since this is a work session, but that is a really scary forecast. And that's not even taking into account what could happen at the legislature and restricting the revenue that we can bring in as a city. And I remember, you know, when it was initially presented, but we've seen a million slides since then so it's good to have a reminder of this slide in that it -- this budget to me, this is the budget we were going to have to make some really hard choices. Because if we don't -- if we add every single proposed fte that is currently proposed, that means in about a year or two we're going to start cutting positions if this forecast rings true. So I guess I just want to put that on -- I'm sure it is on everyone -- all councilmembers' radar, but we're going to have to make, I believe, some cuts in proposed ftes so we don't -- because at least we're not adding new people instead of cutting -- instead of having people lose their jobs in two years, we're not even -- you know, we're not setting ourselves up for that situation.

[10:09:33 AM]

It's also a good argument why councilmember Casar and I were talking and he mentioned it's important that our legislature doesn't set those kind of caps because we're a growing city and we need revenue to fund all our programs, but at the same time I hate to be in the position in a couple of years where this is where we're having to put people out of work. Anyway, just general comments.

>> Mayor Adler: It would be helpful to know, Mr. Van eenoo, in those up front years how much the forecasted property tax rate exceeds the effective tax rate.

>> And on this slide it's all years.

>> Mayor Adler: No, no, by what percentage it increases in those out front years. I'd like to know the answer to that question.

>> And I would --

>> Mayor Adler: Because the dotted line is obviously the 8% over whatever the effective rate was.

>> That's right.

>> Mayor Adler: So know what you are projecting, that would be helpful. Okay.

>> Only thing I would add is the cap established by state law is not a hard cap. I think you all know that. I just want to be clear that council does have the ability to generate revenue beyond that Orange line by adopting a tax rate in excess of the rollback rate. The consequence is the voters could elect to have a petition and I think 5% of registered voters, you would have to have a ballot and at the worst it would be rolled back to the rollback rate. But council does have that discretion to go beyond the rollback rate to fund

[inaudible] That you may have.

>> Mayor Adler: More questions for staff on this briefing before we get into the budget questions? Mr. Zimmerman.

>> Zimmerman: I'm sorry, are we not done with the briefing yet?

>> Mayor Adler: No, no, questions about the briefing and then we'll close the briefing -- anything else about the briefing?

>> Zimmerman: I do have a quick question about the briefing.

>> Mayor Adler: Sure.

>> Zimmerman: Again, let me go back to -- and this is for council, this is not for staff.

[10:11:39 AM]

This is for us as a council. Did I miss a meeting or a resolution or motion or -- where we agreed that we needed to pay around 2.4% pay increases for city staff.

>> Mayor Adler: No what he said was there was a projection -- he has to make a guess out front.

>> Zimmerman: Fair enough. That projection of 2.4%, which is a huge, huge cost driver to our taxpayers, that decision was made outside of a city council deliberation or decision --

>> Mayor Adler: No, no, there was no decision that was made. He's saying I have to make an assumption as to what to fill in in that spot and he used a 10-year average.

>> Zimmerman: And why don't we set that expectation or projection? Why don't we as a council set that, say that what state employees get or what the bureau of labor of statistics comes up with, why don't we provide that guidance? Because what I just heard seconds ago and I hear it time and time again is when the objection says, wow, this is looking scary how much money we're spending, what was offered was not a reconsideration of the quote, unquote, cost driver. It was remember you can push the taxes higher than the rollback rate. Yeah, we could, but the constituents are demanding that we lower taxes. And that we reduce the cost of living. The point I'm making is that the staff puts a projection out that we didn't approve, then says we have a pretty scary looking, you know, tax coming up and says by the way, you can tax even more.

>> Mayor Adler: Tell me this --

>> Zimmerman: We're always getting driven down this road of we're a victim of escalating costs that we never decided on, but you can raise taxes even higher. I'm just tired of this.

>> Mayor Adler: Tell me this because you are an engineer and you are data driven. If this council decided today that we wanted to hold that rate at zero percent increase and we said that, we obviously can't bind the next council or the council after that or the council after that over a ten-year period of time.

[10:13:49 AM]

If as data driven engineer, you were asked to make a -- a projection as to what would happen over the next ten years, what would you use as your guide?

>> Zimmerman: I would just something more reasonable like taking a look at the bureau of labor and statistics and how salaries have been increasing for everyone in the area. That's the data -- wait, wait. I would use data that was not manufactured by the people who stand to profit from exaggerating the salary increases. Does that make sense? This is a process.

>> Mayor Adler: But the question I want to ask you then you would then be using a standard that no city council has ever used before. And I'm not saying that each council over the next ten years couldn't decided to that. But if I was coming to you as an engineer being data driven and you were making a projection of what would happen over the next ten years, I think I would hope for you to take into account not only what you thought was the best policy decision but also to take into account what you thought based on past history might be something that would be most likely for a council to do.

>> Zimmerman: The point is well made, but again this is an important distinction. We're not talking data, we're talking process. We're really talking process. And in the past years the staff has always controlled the process. They've always selected the data. So I'm suggesting a different process, which is elected city council, that would be us, we make decisions that affect these charts in terms of spending. And that we should deliberate and we should say, you know, you should use projections and have an expectation that city salaries will not increase faster than the bureau of labor and statistics or some other metric not controlled by staff.

>> Mayor Adler: And what would be the basis for them to project that council will act -- will do something different than what it's done -- I mean I can understand when Ed comes to us and said I don't know what council is going to do over the next ten years but I'll look what they've done over the last ten years as an indication, if they came in and picked anything other than that, I would think we would look and say -- well, certainly other councils might do that, but I'm not sure that would make a valid progression.

[10:16:14 AM]

I think it's unfair to staff to say there's a value judgment in saying I'm just going to look at what history tells me. Certainly councils can do things differently.

>> Zimmerman: I think what it's done, it's saying the city staff can only drive by looking in the rearview mirror. They can only look in the rearview mirror. It's got to be 2.4%, 3% because city staff has always controlled the information we're given, they exaggerate the salary increases, they look in the rearview mirror and drive forwardment and we as a council, this is a new 10-1 council and our constituents expected us to change the process and figure how to stop the out of control spending and we're not doing that.

>> Mayor Adler: Mr. Manager.

>> Ott: Councilmember Zimmerman, our responsibility and mine in particular is to make a budget recommendation. And I'm required to do that by the charter, not the council. This is your opportunity now to do those things that you are talking about and in the course of formulating our budget recommendation to council in this particular case is 2.4% that you are talking about, we have to use some methodology that we think makes sense. And I think Ed has already described what we thought collectively made sense. It's the methodology that we use. We have to choose one. We did for that and the other things that are in this budget recommendation. And it's in front of you. Now it's your opportunity to evaluate all of the elements of the budget, our budget recommendation and make decisions that you think, you know, make sense from your perspective both individually and collectively as the legislative body of this city. But your constant berating of us because of how we go about doing our jobs, the implication that you ought to be able to determine what our budget recommendation is and the related methodologies that we use to make that recommendation is really just really inappropriate and you've made this argument, you know, last year and you make it repeatedly in other ways.

[10:18:21 AM]

And it doesn't make any sense to me. We have a job to do on this side of the equation just like you do on your side as a policy maker. We've done our job. I think we've done it responsibly. I think this is a responsible balanced budget based on all that we know, even taking into account things that we've heard from this council as well as members of the community and boards and commissions. So I reject your suggestion that we have been doing anything other than that, sir. You haven't made a new argument here today.

>> Zimmerman: I appreciate that passionate defense and disagree on behalf of the people paying the bills.

>> Mayor Adler: Any further questions? Mr. Renteria.

>> Renteria: I really want to thank you because I had asked you to -- come up with what we were going to -- Austin AISD was going to have to share. This is \$406 million. You know, we fight about little 14 million here and there and the school district -- and that's taxpayers here in Austin. Austin ISD. \$406 million. That's our tax money that's going to the state. So I just -- you know, if there's an outrage, that's where the outrage should be. That the state is taking all our money and distributing it somewhere else and we are having to increase our taxes constantly just to educate our children here in Austin, Texas. You know, and that's where the disgrace is at. This is for the people who are watching us here, you know, in our session, budget session. You know, this is something that's hurting us, especially the minority community. You know, we're struggling to get programs funded. You know, the city has to step up and fund some of these programs for, you know, to educate our kids, and I'm really outraged that, you know, constantly over and over -- this is just the beginning.

[10:20:27 AM]

Next year it's even going to be even more of our money going to the state. And people that -- that are really concerned about this, you all should really contact our state legislators about this because I think that it's a big injustice going on in Texas.

>> Casar: Mayor, I would like to add my voice to that as well. I think that it's too easy to look at what's going into the budget and to try to blame it on our employees who I think we are just trying to help adjust for the cost of living and I think that that's been the majority sentiment on council for some time and I expect that it will continue to be so. Apart from the school finance system brought up by councilmember Renteria, we are straddled and strapped from being able to levy other sources of revenue that makes sense to people in my community and people ask about all the time about why can't we charge folks coming from affluent suburbs to work in our city and generate wealth in our city and use our roads and have us put out their fires and police the areas, why can't we charge property taxes to people in West Lake for what it is they do. Why can't we generate an income tax to generate money from the folks that are generating large amounts of wealth here to fund basic things like education and safety. We are really limited on the kinds of tools that we can use to generate revenue and results in a regressive tax system that makes those folks who have the least amount to pay to have to foot a lot of the bill. So I think it's really easy to look at our employees and to say that they shouldn't have their cost of living increase, but I think that that's -- I think that's looking at the wrong pot of money and it's just a lot easier to look at that than to think about the broader tax system, how regressive it is and wage stagnation in the private sector is a shame and we shouldn't try to replicate it.

[10:22:33 AM]

>> Mayor Adler: And as a post script so that I would add I think the idea of doing a tax swap, which is the concept of the city paying for social security costs that are otherwise being incurred by the school district is something that we should all revisit. Our legislative delegation asked for an opportunity to kind of do a pass by the legislature this year and I urge them all to do that. It's not anything -- the law tries to equalize education spending and we're not doing anything to try to circumvent what is the intent of the law in that regard, but as concerned social service spending, if the school district is picking up that expense and we can do it as the city and keep all of the money here locally for those services, I sure would like us to find a way to be able to do that together with the school districts and do it in a way that equalizes the benefit to all the school districts that touch the city.

>> Casar: Councilmember troxclair, I saw raise your eyebrows. I don't mean your constituents that pay taxes, I mean folks out in west hills.

>> Mayor Adler: Anything else? So we're going to leave the presentation to ask questions of staff. Mayor pro tem.

>> Tovo: I have questions on a lot of different areas and some are for staff and some I hope will prompt some discussion here in my house today. But I guess I need to know first of all what kind of staff we have here today.

>> We have all kinds of staff here today.

[Laughter]

>> Tovo: I'm sorry --

>> We have all kinds of staff here today.

>> Tovo: Okay, great.

>> It may be -- a lot of the staff are in the bullpen so there may be an advantage to stick to one tab so the public safety tab, our public safety department could transition in, parks and library staff. If you are going to be bouncing all over the place.

[10:24:33 AM]

>> Tovo: I will be bouncing and I can say which ones I have questions for and we can see what other people have questions about and then come up with a plan. I have questions about various budget question responses. One related to the office of performance management. I have several questions about the community development incentives fund which I believe is being administered by economic development. I have a question about the technology council so that also I think falls into economic development. Several questions for development services. A question for H.R. That's -- that's my short list. I probably have more but that's kind of where I am and I don't know if other councilmembers if that intersects with questions other individuals have.

>> Mayor Adler: I think it would be -- and I think it would be good -- so I think what we want to do today I think is to -- is to daylight different proposals to actually cut the budget and raise money. And I have a list of about \$6.5 million here that I also want to slow out and discuss or questions about projects. My hope is is that people will hear these ideas and will start expressing whether we like those or they are a priority for us so we begin to get a feel on the dais for where everybody else in terms of what they want or need.

>> Tovo: Mayor, these are really leading in that direction, but it's we're at the point I've asked questions, the responses -- I've got to kind of get some answers. So maybe economic development if we've got economic development and there are others who have questions for economic development.

>> Mayor Adler: Mayor pro tem, I thought that's exactly what you were doing.

[10:26:38 AM]

>> Tovo: Okay. Thanks. Chief or others, I wanted to talk a little about -- and I may have just gotten some information. Actually if anybody else has questions, I may have just got the information I needed about that. I just have to read it. Never mind. I have cleared my question.

>> Mayor Adler: Do you want to go to a second question or different area?

>> Tovo: Sure. Looks like economic development staff are here and I have a few questions that relate to that. So we had -- last year we took some money out of -- and I may not get the names right. I had made a proposal and the council accepted it to move money out of I think it was the economic incentives reserve fund and then through some various conversation, and I think councilmember Casar, you made some suggestions that we ended upsetting it up in a fund for really capacity building. And there were

several organizations that we made commitments to and we made commitments for three or four years so those are being funded out of the community development incentives fund. I had asked a question in the Q and a and this is question 231. I'm interested in knowing how we are -- how that is being proposed to be spent. And here's why. Councilmember Renteria has submitted some -- some organizations to consider for potential funding. I think they were submitted -- recommended to us by the hispanic quality of life commission. And those ended up on the concept menu. Several of those look like they are ideal applicants for that community development incentive fund.

[10:28:39 AM]

You but it looks like quite of bit of that fund has already been allocated for this year and in asking questions of staff and some of the information is in -- is in the answer to 231, it looks -- one, it looks like the money has already been allocated, and two, it appears to be some of it at least is going to organizations that are already receiving cultural contracts funding. And so I have a question for staff, but I also have a question for this group. It was really my understanding based on our discussion that we were trying to use that money for capacity building, for organizations that may not compete well for cultural contracts because they are smaller organizations, they maybe haven't submitted grant applications before and so, you know, it was my understanding we were kind of setting up a process like a mini grants process that would allow for some of those organizations who were new to the grant scene to apply for that money in a lower barrier way than our cultural contracts currently allow. I understand from the response that if we are funding through the community development incentives fund some of the same organizations that are receiving cultural contracts, they are getting it for things that aren't eligible under the cultural contracts, but again that wasn't my hope for how we were going to use that money. So I guess, again, I think that's a question -- I have some questions for staff, but that's something really I would love my colleagues' feedback on was that your understanding how we were going to see that money spent. >>And I would also note in 231 the question talks about 150,000 for cultural contracts. But again, it is talking about that community development incentives fund. I would just ask staff if you could address how the criteria were established and why that decision was made to allow for existing organizations, some of which have received money in a variety of -- for a variety of years or a cultural contracts program.

[10:30:42 AM]

Why were they allowed to compete for in funding?

>> Good morning. As a capacity building program at one time in the past was funded from the hotel occupancy tax, but it was determined that because of the nature of the use of funds such as development of boards, strategies of growing a nonprofit, the criteria wasn't eligible for hotel occupancy tax. So we used Texas commission for the arts. And so the cultural contract grants are for services for performance. These contracts are to help nonprofits build the capacity so that they may one day expand and grow and no longer serve as a subsponsor of a fiscal agent. So it's to help the nonprofits glow. And as -- grow. As stated in our response, we received almost \$320,000 in requests and only had \$150,000 to fund. So it's to help build capacity in terms of growing a board. Marketing, all those aspects to grow a nonprofit. So you could have come in and received a small grant, but now this process you would -- through this process you would be able to grow your organization in the future.

>> Tovo: So now I'm wondering if maybe we're talking about two different funds.

>> The one-time funding for four years for \$150,000, this was for capacity building for the nonprofit cultural organizations.

>> Tovo: I guess I'm wondering if that response isn't particular to if fund I was -- the fund I was trying to get information about. We took that money, we put it into what we then named the community development incentives fund and it looks to me on page 672 of volume 1, and if this gets too down in the weeds we can maybe talk about it afterward, but the balance is 833 and then it looks like the contractals for next year are 225 which looks like it's leaving us with a balance of 608.

[10:32:51 AM]

>> I want to defer to Ed because we are a component of that fund. It's not all of the capacity building --

>> Tovo: All right, now --

>> I think there was confusion about what you were asking for on question 231, but now I understand. Last year as part of the budget adoption there was discussion with council we fund things out of our one-time fund and out of our ongoing budget. Council had this concept during budget deliberations kind of an intermediary fund and the idea was there was an agency council wanted to fund for, say, \$100,000. Instead of putting \$100,000 to that agency and having to do this every year to find wind-time funds to continue it, instead we put \$400,000 into this fund and guarantee that agency you would get that money for at least four years. So the end result that happened last year is council took a block of money out of your budget stabilization reserves fund, that one-time fund, and moved it to the community incentives fund. And the four things you've funded out of that were -- I have it \$150,000 increase to fund cultural contracts, 15,000 for jump on it teen night, 35,000 for the river city foundation summer of safety program, and 25,000 for the Austin Dia de los muertos. Those are the things you funded out of that fund. You put four years of funding into that fund so I think all of those things should stay the same for at least the next three years.

>> Tovo: And so I guess what I'm trying to do and it sounds like -- it sounds like I need to submit a different question because I got back a response that was about money the cultural contracts piece of it. But here's what I'm trying to achieve. I'm trying to see, one, is there money available in that fund to pick up some of the other organizations that might be on the concept menu in this next year.

[10:34:51 AM]

And then two, I didn't remember putting cultural contracts into that. I didn't remember they were coming out of that same pool of member. That's a question maybe for us to reflect on. I thought we were using that money for organizations going through a different process like they are going to the commission, one of our quality of life commissions and asking for support and that recommendation may get to us. But this was an attempt to provide at least in my mind a little more structure so we have an application process for those grants. They would be vetted by staff and receive the money that way. So I didn't remember cultural contracts being a part of that. But ultimately I'm trying to get to the bottom of how much money there is in there for this next year. That's one part of my question.

>> That fund summary you were looking at on page --

>> Tovo: 608.

>> That money is enough to fund these agencies for fiscal year 17, 18 and 19 because that's what council said you wanted to do. You wanted to set money to fund for four years. So you set money aside in that fund to fund these four activities for four years.

>> Tovo: And there is no additional funding beyond that.

>> If you want to maintain funding for these agencies.

>> Tovo: And then I guess some of the funding I'm looking at then maybe is within that cultural arts piece. For example, women and their work, the film society, is that within the 150,000 allocated for cultural arts within the community development incentives fund?



>> Councilmember, we can submit that to you, the details of the organization's funding in '16.  
>> Tovo: But where are they being funded out of? Is that the cultural arts piece of the community development incentives fund?  
>> So there are six programs that we actually fund through cultural arts.

[10:36:52 AM]

The capacity building is funded out of the community initiatives fund. And it has program guidelines. There's an application process. You are reviewed and it's approved by the cultural arts commission. The core funding expansion, the community initiatives, that is funded out of the cultural arts fund, the hotel occupancy tax. And they also have to submit an application, they go through a peer review panel, it's a blind system and it's approved by the arts commission.

>> Tovo: So then I think what I've got lists for here are the capacity building programs, and I guess I continue to have the same question I had earlier, though it doesn't seem like one we're going to hash out in the budget process. But I do question whether capacity building grants should be going to organizations that are already receiving funding through some of those other cultural arts contracts money. Even if it is for expenses that aren't eligible through the cultural contracts. Is that really fulfilling the mission of million dollar capacity if they are already competing for that H.O.T. Tax money. That's kind of a pending question I guess.

>> Mayor Adler: And I hear that question and further explanation too I think I need now because -- and I don't know if it's two different funds, but it sounded like there was one fund that was already committed for four years to particular organizations, but it also sounds like there's a separate fund, an additional fund, an independent fund that people are applying for over the course of the year for. And obviously those are two different funds if one is for specific people committed over our four years and the open is open for building process so I'm confused a little.

>> Tovo: And I continue to still have that question. I'll have to remind myself how the capacity building ended up within that economic incentives reserve fund transfer. I don't remember how that happened exactly, but I'm just not remembering.

[10:38:57 AM]

>> The economic reserve fund is the fund we hold our chapter 380 payments in. Then there's the cultural arts fund that holds the hotel occupancy tax. Then there's the community initiative fund that's holding the --

>> Tovo: Community incentives -- what I can't remember is how the money we took out of economic development incentives and renamed the community incentives fund how the capacity building which was an existing program, it wasn't new last year, how that ended in the community development incentives fund. I will try to remember to submit that through the Q and A. I think that's probably best.

>> My recollection it was a matter of we had budget stabilization reserves but there was a number of initiatives the council felt strongly enough they didn't want to be funded one time, they wanted four years and we created this new fund. I have someone going back to look at last year's concept menu, but my other memory all these items are on the concept menu and one of them frost the 150,000 to fund cultural contracts. It was a council concept. Council wanted to fund it for four years, not one year.

>> Mayor Adler: So within that universe of things, there were certain things we picked we were funding.

>> Yes.

>> Mayor Adler: One thing was not designated, that was for I think at the request of councilmember Houston and councilmember Garza that one of the things was just an open-ended fund. So we might

have said these three for sure and then amount for open-ended fund that people can apply for. That became one of the pill bars within that account I think is what happened.

>> Tovo: And then I guess -- I would love to here feedback, I guess, about whether -- and now I'm remembering it did grow out of that line which I don't remember calling cultural contracts in our discussions did come out of the some of the proposals you had, councilmember Houston and I just wanted to raise for discussion some of those are going to organizations who are receiving cultural contracts as well.

[10:41:08 AM]

So I think again that is a conversation we should have at some point whether that was our expectation for that phone.

>> Houston: Do you have a list of the organizations that are currently getting the funding from the capacity building --

>> Mayor Adler: That open list.

>> Houston: That open list.

>> We can get that down here. To you.

>> Houston: And I think the question is are they already receiving some cultural contract money and are we enhancing what they already are receiving.

>> We can get you a copy of the guidelines and the list from fy 16. Because, again, the capacity building is to help organizations grow. You may have a concept of a one-time performance or come through our beginning stage program community initiatives, that's only like a 5,000 maximum grant. But if organizations are truly serious about their creative craft, they need to train the board how they fund raise, how they reach new markets and various types of financial stuff, exactly, financial because some don't have the financial capabilities, aren't aware of how to maintain your books and all of that is a factor when you come into the major core funding programs. You need to have all of that in order.

>> Houston: If you could get that list to all of us.

>> Yes, I can get that list.

>> Mayor Adler: And for me on that, I think it's an interesting question that you raise and let me think about that and let me see that so in response to your question I'm not ready to respond to you, but now that you raise that, look at that. Okay. And let's go around so everybody gets a chance to ask some questions. Pio.

>> Renteria: I remember some of these grant -- requests for funding and I think there was some wording changes on -- like some of my requests for like one group, Dia de los muertos, which put in \$15,000 for them.

[10:43:16 AM]

They have worked through the hispanic quality of life, it was five different organizations. They agree to split the \$25,000 that they had for 5,000 each. Somehow the language got changed on the concept menu and only one group ended up taking all the money and the rest of them got left out. So that's why I entered my request because a lot of these smaller groups are being left out because of the other groups that already knew how the process worked and ended up with the majority of the money while the other groups just sat there and had planned to use that money and couldn't because it wasn't given to them because the way it was written in the final days and the concept menu left them out. That's why I'm requesting district funds on the concept menu for these other groups that got left out.

>> Mayor Adler: Okay. Ed and Elaine, the -- I'm going to less here just to kind of throw out some -- a list of potential ways to raise revenue in the budget, recognizing that a lot of things we want to pay for and

there's no money. And I'm going to throw these out as discussion items because I think they need to be discussed, without taking a position on whether or not ultimately I would be in favor of these or not. But I think perhaps one of the hardest things to do is lay out on the table things that could be possible ways to generate significantly greater amounts of money so I'm going to go and lay some of these out. And there are some things I want you to potentially take a look at and we'll follow up with budget questions because you've asked us to get all these in by this week. But before I do that, I want to preface a little bit with as we move into next year's budget, I would like us to see, and Elaine this might be directed to you, a different way for us to go about the budget.

[10:45:31 AM]

Because what happens is by the time we get involved in the budget in May, by the time we really get engaged, so much has already been decided and there's such little time that's left. We did an amazing job this year I think of identifying the things that had changed from one budget to the next and that's really useful information and I think the budget process worked really well. But when I look at the budget choices and I see the same thing councilmember Garza sees, if we have a council that wants to put substantially greater money toward affordability issues in this city, we're not going to be able to do it by moving around the pieces that are changing from year to year. We're going to actually have to dig down deeper and see if there are programs that the city is doing that are wonderful, great programs, but we're doing them in response to a city council that asked for it ten years ago and the program has lived and it's doing great things. But if we're forced to make the tough choices, we have to have access to that. This council somehow or another has to be able to reach deeper at a lower level. And I don't know -- and it seems to me that we're going to do that, part of it are the deep dives in the new office the manager has set up in those three departments, but my sense is we need to take a look at -- if we started this in November and we ran a program between November and April and we put aside some work sessions for council to actually look at a department or division, I don't even know how to do that where we could actually say, so what are the 150 programs that you do? And why do you do these 150 programs?

[10:47:32 AM]

And are there among those 150 programs some programs that -- that are doing great work but may not be the priority now relative to what the council's priorities are. And I think the suggestion we had for council to do a real retreat, to actually -- I think we saw both the benefit of it and also the need to have one that's a longer period of time, I think we could give the staff greater direction between November and April and to the manager or the interim manager, greater direction as the budget was being prepared to look down and say this council wants to free up a significant amount of money associated with driving greater affordability housing or much greater workforce development to move people from poverty up to middle income jobs. If that's the priority to really get involved in the budget process -- to get involved with the departments early enough both with the retreat and with work sessions so that we can give to staff much greater direction in the January to June period when the staff is working up the work plans in an office. Because the processes we're in now, this council cannot be a good partner to the staff in helping to identify priorities and ways to help find money to be able to do things, to be able to express opinions or priorities. With that said, when this is done, I'm going to want to ask the question right after we're done here what could we -- that topic, what might we do between -- in addition to retreat in November, what might be done between November and April that would make us better partners in that process.

[10:49:47 AM]

That said, I'm going to lay out some things now that I think that we ought to at least consider and I'll follow these up with budget questions, Ed. I think we need to take a look at the ems 42-hour workweek implementation which is 52 ftes. That came up to us last year, we talked about phasing that in overtime. This is an important thing for us to do. I don't know how this fits -- I don't know what the overall plan is in terms of phasing that. I don't know if that gets us pretty much there this year, whether it makes sense to phase it in over two years. That's a department question as well, but to take a look at that issue. The - a million and a half that we spend now out of the general fund to help make the sxsw festival and the ancillary events work well is a huge driver in this city for hotel, for traffic, for tourists. I want to know what the impact would be of taking that million and a half out of the general fund and seeing if that should access the moneys that are going to the convention center or to the visitor bureau because these things are core, I think, to their functioning and their departments and maybe that's the better place for that to be taken out of. I'd like us to take a look at the shady hollow fire station. I'd like to know how many calls that's getting. I'd like to know if it makes sense for us to -- to pause on that fire station, what the impact would be on public safety and how that relates to the million and a half that's associated with that. The 52 ftes, by the way, for the ems I think is about \$3.4 million budget deal.

[10:51:56 AM]

If we were to do half this year and half next year, that could be a million seven and I'm pulling numbers out of the air. A million and a half on the sxsw move. The shady hollow fire station looks to be like a million three potentially. One thing I think we need to take a look at is trying to tie our senior disabled exemption to the senior disabled exemption that Travis county does so that we move that in lock step with each other. We should talk about that. That would be an \$800,000 impact on budget.

>> Say what you mean by that.

>> Mayor Adler: Not increasing it from 80 to 85 but pausing at the 80,000 this year that Travis county moved up to.

>> Tovo: Thanks, I wanted to clarify whether you were suggesting increasing or --

>> Mayor Adler: I'm suggesting we consider pausing pausing that increase so there's just a senior exemption for people that live here in city of Austin and in Travis county. We -- I am a huge lover of libraries. I am a huge lover of the new library that's going in downtown. I am so excited for that to open and now that's opening in the spring and I watch that go up every day and I am busting at the seams in anticipation of that. I want to know what is the impact of us not having that library fully funded on the date that it opens and whether as that program opens and projects come on line whether that's something that we ramp up over a year or a year and a half. I think that we should take a look at -- there are some positions that are vacant in the city of Austin that have been vacant for longer than four months.

[10:54:09 AM]

There are a lot of those that we intend to fill and we need to fill and we should fill. But my question is if they haven't been open for four months -- if they have been vacant for four months, can those positions stay vacant for another three to six months? And I'm speaking now about nonsworn positions. And I'm speaking about positions where there's not obviously an emergency and exigent circumstance and I would imagine that everyone in every department that has one of those would have an emergency or an ex time sensitivity scent circumstance, but if it hasn't been filled for four months from a management perspective, as I look at the number of people, looks like it's over \$10 million worth of feat money, if we

looked just at nonsworn positions, it looks like that might be a number that's over -- somewhere between \$2 million and \$3 million. If we were to ask management to say take a look at that universe and see if a quarter of them can stay unfilled for another few months before they get filled. That might turn up another half a million dollars for us to be able to look at. And before I continue to go too much, I'll pause, but I think that we should -- I don't know how the body camera element, I don't know if that's being funded out of capital expenses or whether there's a general fund component of that, but -- and I can't tell how much of that we're phasing in all this year. We had talked about phasing that in overtime and I don't know over what period of time we're phasing that in or whether it makes sense to add one more year to the phase-in of that so that that happens but doesn't happen as -- as -- as quickly, but I would take a -- I would take a look at that as well.

[10:56:24 AM]

And my sense is in the things I just named there's probably about six, six and a half million dollars that might be available there, but I'll follow those up with budget questions. But I think if we're really going to start moving priorities around in the city, we need to actually start daylighting significant things like this for us to be able to fund. She raised her hand first, then Ms. Houston.

>> Garza: I have similar frustrations and I've voiced them before. The position that we're in and in no way being critical of staff. I know that you have given us a proposed budget that was extremely hard with all the direction but from different priorities that we have. And so as a council we're in a position to do -- to have to do what the mayor just did and try to find these little areas of where to cut and then, you know, the response back what I've experienced thus far when I tried to do that the response back is I'm sorry, can't do that, there's no fat. And so on that same vein a question that I will be proposing and it seems like it will be an intense one sue if I need four sponsors, I think I'll be able to get them. But what -- and one of my staffers gave a great analogy about when a district judge gives a direction to people for injunction or some kind of order, they say -- that judge will say here, you go figure out how to fix it, I'm a judge, you will fix it because you will be able to do the best way and come back with these options. So in that same way I feel like we're in a position to say we need to make cuts somewhere. If we start doing all these little cuts one at a time, maybe that department doesn't want that cut but is willing to give up something else but I understand the position the departments are in, they don't want to give up anything and I totally understand why.

[10:58:31 AM]

What I will be asking a question is if we can see the -- there's additions of ftes in every single department. And, you know, the concerns about future budgets and how -- well, you know, council, you froze positions and now we have to allocate those for a year. If those are the only options we have sometimes because we're told there's no more fat to cut and, you know, this is the only -- and so we have to come up with these creative ways to try to figure out where to find money. I'm going to be asking if we can ask every department, show us what the savings would be if we cut 25% of the allocated additional ftes, 50% of the additional ftes and 100% of the additional ftes. So for a department that's asking for one, I would say the 25% allocation would take that down to zero. So then that will be zero. If a department that's asking for two, 25% would be one still. 50 would be one still and the 100% would be zero ftes. So if you think I need sponsors, let me know and I'm pretty sure I could get the needed sponsors. Does that make sense, the question? And I know that there are some departments that have asked for ftes that don't come out of the general fund, but I still would like to see those cuts anyway and how that affects like additional fees, for example, the one I spoke about earlier was

transportation, so if they cut those additional ftes by 50%, how does that affect that transportation impact fee? Thanks.

>> Mayor Adler: Ms. Houston?

>> Houston: Thank you, mayor.

[11:00:31 AM]

A couple of things. First of all I appreciate that we're having this conversation because last year, as many of you know, I have this thing about legacy programs that get money year after year after year at the expense of community-initiated programs that rise up from the community that can have that impact on the community because they've lived those experiences and they never get funded. So I appreciate that. I also appreciate the fact that we are able to acknowledge that some of the plans that were put in place by prior councils, especially some of the mobility plans, master plans that were done, were done with the exclusion of people who look like me, whose skin is wrapped in a different color. So they were not included, yet we're still following those same plans. And to me the day has changed, the times have changed and we need to rethink that because some of our mobility things have changed. I would like to think about in composting maybe that isn't something we have to do at one time. Everybody knows I'm a composter. I try to make everybody on the dais compost when we're eating back in the back because I don't want it to go into the landfill and I think it has a better use if we make it into dillo dirt, but can we put the composting in so that some of my money there. And if there's a way to look at the marketing budgets and see if there's a way to reduce, Austin is already well-known -- we've done a great job marketing the city of Austin and if we reduce that budget by -- 20% is in my concept menu, but if we look at what is a reasonable amount that we can pull out to be able to fund some other kinds of services and supports that are needed in this city, that would help me. I'd appreciate that.

[11:02:33 AM]

>> Leslie? Ms. Pool, sorry.

>> Pool: Thanks. I just had a question. We have been sued on the body camera selection. What effect does that have? Does that mean we -- Ann jumped on that one.

>> The litigation has put a little bit of a pause in the process. I don't remember the exact dates right now. The case is set for trial. Part of it is on appeal already. Ky let you know. I think there's some state funding, grant funding that was also involved in it. I don't know if the pause jeopardizes that funding or not, but I'll definitely follow up with you.

>> Pool: The reason why I was asking is I think that may have -- if you're talking about a phase-in mayor, that that may require us to do one anyway. So I guess we'll wait and see what the timing looks like. Thanks.

>> Mayor Adler: Mr. Zimmerman, Mr. Casar and back to the mayor pro tem.

>> Zimmerman: They ought to know that the trial has been rescheduled. I think bits moved from November to January.

>> I'm not sure, but I'll take your word it's true.

>> Okay. Mr. Casar.

>> Zimmerman: It would be good for us to be advised. It's a very, very, very important case with a lot of really important information. I believe there have been three judicial decisions now against the city of Austin. I think that's important.

>> That's true. The temporary restraining order was granted, the temporary temporary injunction was granted and part of granted, part was denied, part is on appeal. I'll be sure to provide the rest of it to the council.

>> Zimmerman: Mr. Mayor, have we been advised in an executive session on this very important case. There's about eight million dollars of spending between the utility proposal and the taser proposal. Eight million dollars in savings. And it appears to me because I've studied this intensively, we could get a better body camera solution that meets the rfp for eight million dollars less.

[11:04:38 AM]

And I can't fathom the bitter resistance of the city staff to even have this discussed. The council doesn't even know what's going on.

>> Mayor Adler: What we know is that any member of the council has an absolute right to ask something to be set in executive session and thus far no one on this council, yourself included, has asked me to set that for executive session.

>> Zimmerman: I'm publicly asking. I wanted to give our legal staff an opportunity to do it. It should be their responsibility to do it.

>> Mayor Adler: Now that you have asked for an executive session briefing on that, absolutely you will get it.

>> And I need to be clear that the briefing on executive session would be about the litigation and if the question is about what's a better feel, that's not subject to the executive session. I think that's the conversation that council had at the time that council made the decision about which company to go with. So you're certainly -- we can put that on for further discussion at the council meeting.

>> Zimmerman: Thank you. And the judge ruled that there was some probable cause that the assertions from utility in their petition, which said that the city council was misled, that's why the judge agreed with utility as the plaintiff. I think we need to be advised as that.

>> Mayor Adler: Let's find a better forum to discuss the merits of that. Let's stick to budget because some of us are going to leave in a moment and take our lunch break in a second. Mr. Casar?

>> Casar: I mostly clicked on my mic to --, I think that it's a tough thing early, even though it doesn't seem that early on in the budget to put out things for potential cuts so I don't want you to be the only person taking in the phone calls and emails about why not to do certain things. So I'd like those folks to contact me as well because I think that we have to make tough choices and while I don't know how many of those I can support or not support, just like you, I think that we need to be looking at all of the options that you've listed and I'm interested in each of those. I also have submitted a question to understand how we're spending the variety of asset forfeiture funds.

[11:06:40 AM]

I know that was a question that was asked by the council when some of those funds were thinking about being expended. This in the last few months. So I'd be interested in seeing how we're spending those. There are some restrictions on how we can spend them, but I believe that potentially some of council's priorities may be able to be funded there. And I do think that -- I want us to maintain a conservative posture on some of our policies and reserves especially because we want to make sure that those are flush in the case of an emergency, but I would consider a couple of the things thieved heard we're facing inside the city as extenuating circumstances in emergency situations, including the huge backlog in the rape kits being processed. So I would be looking at some of our reserves that we would reserve for emergency situations for funding something like that if necessary considering that to me it is a very extenuating circumstance of us needing to fulfill some of our basic responsibilities as a government. I don't see that as extra. And just to let people -- so that people are clear, on my priorities, my priorities are largely this council's priorities. I don't see anything quite on the concept menu as, quote, my thing. I think that I appreciate councilmember Garza's championing of health and human services funding, the

mayor pro tem's work on the host team. I see those as something that I care about as extremely high priorities. And of course, being the aid programs from being defunded and meeting our goals on housing funding allocation. I think that those are steep challenges and we may have to look at some of the cuts that you describe, mayor, in order to fund some of those.

>> Mayor Adler: I would also concur. I would like staff to address whether or not the loss of that forensic lab is the kind of thing that would constitute in unforeseen and unanticipated emergency as well.

[11:08:52 AM]

Ms. Pool? Wait a second. Ms. Troxclair?

>> Troxclair: Well, I can hardly believe my ears and I'm so excited that other people on the dais decides councilmember Zimmerman and gal are starting to take a serious look at our budget and the difficult decisions that we may need to make going into this budget time. I just passed out some budget reduction sections of my own. I know there has been a council concept menu by councilmember Gallo and I to hear from the staff what it would take to look at a budget that got us down to the effective tax rate that requires a 36-million-dollar reduction. In our spending. And at the time -- I understood that the staff-- that the response was that it would be too difficult to necessarily go back through and comb those things and come back with a proposal, but this was my quick proposal that I just wanted to put out there. I actually had -- actually, this is my full proposal, about three times longer, and I came up with about 48 million. But I thought that was probably overshooting my hand. I heard the conversation, although I wasn't at the work session last week, I listened really carefully to the conversation that councilmembers needed to identify specific cuts. And although I didn't fully understand the context, of course, most of the things in this list are included as potential reductions in the existing concept menu, I wanted to put it out there that it is possible for us to have those difficult decisions. And some of this to me is a little bit of low-hanging fruit and of course things can be -- not everything is going to agree with everything on this list and things can be adjusted and moved around and taken off and added on.

[11:10:58 AM]

And if we decide to not add as many ftes then that would reduce the potential reduction we need to see in other area, but just something as simple as a five percent reduction in contractuals and commodities in the general fund would save us almost \$13 million. And we're talking only a five percent reduction in things out of a 250 billion-dollar budget in things like travel memberships and consultant contracts. So some of fleams are also similar to what the mayor laid out and to other things that I've advocated for before, like using hotel occupancy taxes for the spring festival public safety costs and the municipal court positions that are listed at the bottom of this list, those are the positions that have been vacant over 12 months. And at least one of the presiding judge had asked for it not to be filled until they were able to evaluate the necessity for the position. So I agree with councilmember Garza that it's a lot easier for us to be prudent about the number of positions that we add rather than coming back in a couple of years and realizing that we don't have the money to continue funding those positions. I really appreciate the staff taking us through this morning a couple of years down the road so that we understand that the budget decisions we're making today have long-term implications. So I just wanted to lay that all out there so you have my couple of suggestions. And I also want to take a moment to respond to some of the things that were said earlier generally about our revenue caps and things. I support additional revenue caps on local municipalities. I wonder if we didn't have the rollback rate restriction that we do today, I wonder what our tax rate would be?

[11:12:59 AM]



I mean, it would be -- it would be much higher than what we're looking at right now. So it is possible for us to live within our means and I don't think -- yes, we're a growing city. We grew about two and a half percent, our population grew about two and a half% last year and inflation was about one percent. So if we're looking to keep us with our growth and make sure that basic infrastructure and basic city services are funded at a pace that's equivalent to our growth, then we should be looking at a budget that increases spending about three and a half%. In fact, I think it's closer to eight percent. So over double that number. I think that it is -- I'm a -- I may differ from the rest of the council when it comes to having the state put reasonable restrictions on cities and our taxing ability. And I think that councilmember Garza's suggestion about asking the staff to come up with their recommendations of what would the impact if we lower the number of new ftes is a reasonable one. So I'm happy to join you on that request.

>> Mayor Adler: Mayor pro tem and then I think we may be taking our lunch break.

>> Tovo: I have additional questions. I guess I have a couple of quick questions. I'm interested in knowing what time we're coming back, and I just want to signal that I do have additional questions for our economic development staff and for those other departments I mentioned. But councilmember troxclair -- I hope we'll have an opportunity after lunch to lay out other things and ask our additional questions and really talk a little bit more about some of the ideas that have been presented, but just in case we don't have an opportunity to do so later, I'm looking at your -- about the opportunities you've identified for potentially shifting to hotel occupancy tax, and that's, as I've made clear, an interest of mine as well.

[11:15:08 AM]

I'm noticing, those, that this adds up to four million. And the decision we made in moving -- in keeping the acvb at level funding only netted about two million dollars. So what would be your proposal for -- again, I just want to be sure if you need to leave that I have an opportunity to ask you this question. Where would you make up the gap in that two million dollars?

>> Troxclair: Well, I mean, of course the hotel occupancy taxes fund more than just the acvb. So I think you would have to -- this speaks to the entire pot of money, not just the piece --

>> Tovo: Not just the tourism promotion fund. That would mean reducing our cultural contracts amount or the convention center budget accordingly.

>> Troxclair: Yeah. And I think that if you look at the rate of growth of the revenues of both of those things that it is possible to not -- when you say reduction, it's possible to give I think both of those entities more money, but not necessarily as much as they would have gotten absent any changes.

>> Tovo: Okay. Basically the same thing we did with the Afghanistan, keep them at -- acvb. Keep them at level funding. Were you going to make a proposal that it come out of the other?

>> Troxclair: I didn't make that proposal here, but would be happy to hear your thoughts.

>> Tovo: I think it would be about two million by memory, that would need to be identified in one of those other hot tax funding. Thank you.

>> Troxclair: And again, this was just -- I mean, I came up with a much longer list and then I tried to pare it down to the things that would -- actually, if you look down at the bottom I tried to make a list of the things that I didn't think that this council would be interested in touching, like the proposed two percent increase to employee pay, plus a thousand dollar raise for all city employees, fully funding all proposed new public safety services, fully funding all proposed social service contracts, fully funding all proposed deferred maintenance increases, and fully funding almost all of the new city employees.

[11:17:15 AM]

So I tried -- those were some things that had been suggested to me and I tried to -- not that cuts are -- this is always going to be impactful to someone. There's always -- any time you make a reduction there's someone that is not going to get the full level of funding that they're hoping to receive, but this was what I was able to pare down that I thought would potentially receive the least resistance from council.

>> Mayor Adler: Ms. Pool?

>> Pool: Thanks for this, councilmember troxclair. I have some of the same questions that the mayor pro tem has asked about the total amount that you identify for the hot taxes. I did want to point out your referring to the two percent increase as if it were an across the board cost of living adjustment to employee pay, but it's actually a pay for performance process and it kicks in in January, and this is an effort that we were trying to implement, that we talked about last year if I'm remembering correctly from our cfo, I talked about this with Ms. Hart and Ms. Van eenoo a few weeks ago. It's not a cola and not all people will get it, but most people will if they exceeded expectations. And the 25 cents an hour that you're listing as a thousand dollar raise is the city's effort to offset the required cost increases in our health insurance premiums, which can hit our staff pretty heavily because everybody pays about the same amount of money. It's not -- it's kind of regressive, lower income staff pay. A larger percentage, I think, for their health insurance than higher salaried employees. So that was the city manager's attempt to mitigate that necessary increase.

[11:19:21 AM]

So I just wanted to make sure if anybody is listening that that is a pay for performance, two percent potential increase, and then 29 cents an hour increase in order to offset required 12 percent increase in the health insurance premiums.

>> Mayor Adler: We're going to go ahead and break for lunch and come back here at 1:15. Yes, Ms. Houston?

>> Houston: Thank you so much. And next time ask them not to schedule a luncheon on a budget session day. I thought that was very rude.

>> Mayor Adler: Thank you.

[Lunch break [. ]. >>

[Lunch break] >>

[1:29:56 PM]

[♪Music playing♪] >>

>> Mayor Adler: So let's have this conversation so other people can hear it too. So we're now back from lunch. I think that it's important for us to daylight some issues, daylight, as we're doing, potential savings to consider and for Ed to be taking a look at as to the budget questions. I think it's also important for us to be able to ask the kinds of questions that the mayor pro tem was asking as well as maybe to go through the concept menu and see what people are really focused on. And there's been a request that we kind of do that kind of following the concept menu so that staff generally has a feel for how we're moving and we're not just bouncing around on this. So if that would be okay with everybody, then I propose that we start doing it that way.

[1:31:59 PM]

Does that work? Okay. So the first one we have is economic development if we want to start talking those issues.

>> Tovo: Mayor, I had one more pretty quick question about -- for economic development.

>> Mayor Adler: Okay.

>> Tovo: So that question relates to 186. Bunt question and answer 186. This is the technology council. I wanted help remembering, in my memory -- and I think my memory failed me on this, but I thought when the previous council allocated some money during the budget process -- so it wasn't allocated through other means. It was a request that came directly to the council, as I remember, and it was added into the budget adoption, 70,000 for the technology council, we had had a discussion at that time -- Mr. Johns, you can probably fill this in -- about what their plans were. As I went to the transcript they talked about finding funding from some other regional partners. So I really envision that as kind of a one-time funding. It appears that it must have been in the budget as well this council kept it in budget last year and now it's proposed for an additional year of funding. And we have so many good organizations and they're certainly one of them, but because of the conversation we're having about priorities I just feel like I need to use the mayor's word, daylight that issue and say can you help me remember whether there was a multi-year commitment and if we're -- how they're doing on their fund-raising efforts. I know one of the things they announced this year is they're setting up an advocacy group to, you know, advocate their positions to council and so then it becomes an even more awkward thing, I would think, for us to be funding them to the tune of \$70,000 a year to advocate in part to us.

[1:34:06 PM]

So could you help me fill in some of those gaps in my memory?

>> Yes, mayor pro tem. You're correct, Kevin Johns, director of economic development. And also I have the project manager with me, David Culligan. The original contract and the original idea was that the Austin technology council representing 200 high-tech companies approached the economic development department with a problem. They needed to hire 9,000 young adults to begin working at their companies and couldn't find them in Austin. Their initial approach was they wanted to recruit them out of California. And we were horrified. And we said no, we've got the talent here. Hispanic and black kids, the kids in poverty, there's a way to do this. So that evolved into the small contract that we have. With those -- with that as its purpose, the Austin technology council was very enthusiastic about trying to expand their organization in these 200 to this large number of technology firms to be the conduit for coordinating with workforce organizations, with schools, with stem organizations. And to grow the technology tax base. Two years ago, I think it was two years ago, correct me if I'm wrong, they came with a one-time funding request where they wanted to expand on a regional basis. They had been working with the greater Austin chamber of commerce. They wanted to expand this concept on a regional basis and they needed to collect a lot of data. And so the commitment from the mayor and council was to provide the funding for that, which was an increase of -- of 130 to \$200,000.

[1:36:13 PM]

I will get you the exact number. But for those dollars think they had proposed kind of an opportunity Austin strategy where they would go to other cities and counties in the region and also get them to sign on so that this would be a regional technology organization that could then be used to effectively bring to bear the technology organizations into the schools. So it was a one-time funding commitment. There was not a multi-year funding additional commitment as you correctly surmised. They ran into difficulty. They did all of the work in the data collection and meeting the companies and they organized themselves properly, but they were not able to get matching funds from other municipalities or governments. So that is the reason they've come back. I will ask David to fill in any gaps if I've --

>> You asked that ACC come back to council to provide a summary of their findings, which they did do. And they were able to raise \$6,000 by contracting with two additional cities, San Marcos and cedar park.

>> Tovo: Okay. So they were in the manager's recommended budget I guess last year and so were funded again and now they're in the manager's recommended budget this year. And, you know, again, I appreciate the work they do, but I am going to have to weigh that expense against some of the other priorities, especially given that it really is -- as I remember that discussion and as you're supporting, it really was intended to be kind of a one-time support to try to help them get to a position of being able to attract other funding opportunities. I do know that this is on the contract -- I mean the concept menu for an increase beyond what is already in the council budget.

[1:38:20 PM]

So I don't know if any of-- I guess I would ask my colleagues who are advocating for an increase to maybe address that. And I guess, Mr. Johns, what is your sense of what would happen to them if we eliminate this 70,000-dollar support, would that -- it sounds like it would be -- it is not inconsistent with their expectations. I mean, we did make an expectation -- I think we set that expectation properly that it was a one-year. So we've recently brought forward a contract for the Austin technology council to focus in on workforce development efforts between their membership and some of the different schools in the programs that are looking to create more of a technology-based workforce in the the future. Trying to address some of the concerns, as Kevin articulated earlier, from some of the findings that the city purchased or helped to purchase through that 300,000-dollar request. So we're seeing movement in that group on an annual basis. The request that you have before you is for an additional \$225,000, which will bring them back up to that near 300,000-dollar total that they were receiving two years ago. Economic development doesn't have the amount that they are requesting to close that gap.

>> Tovo: Thank you.

>> So I think this is a good and appropriate one to daylight this way. I was one of the people that put on the concept menu the additional funding for the Austin technology council. And I put this under the rubric of job training in the city. So as you go through this you will see the kinds of things I'm focusing on are things that I think relate to job creation or job training because I think there are ways you make things more affordable in the city.

[1:40:28 PM]

You make things cost less or you give people the opportunity to make more. So this -- we know within this city that the two areas of job growth that we have that we can fill in and train them for more than anything else is health care and nurses, and in the tech field. And as we're looking to try to train people that live here to be able to take the jobs that are available here, I think those are our two best opportunities to do that. As the regional workforce plan comes to us, which I think will be coming to us shortly, my sense is that as a community the workforce development folks, as requested by judge -- the county judge Eckhardt, myself and others, give us a single goal that we can use to test good projects against. What are you really trying to accomplish and what is the metric that gets us to the goal? And I think a what they will be identifying is people who are living in poverty and a certain movement of -- a certain specific number of people moving out of poverty and into non-poverty jobs. So this to me hits that. It's similar to the capital I.D.E.A. Proposal, which is also workforce related. You know, there's been another conversation that I want to daylight here also for us to potentially have, which is whereas a council during this process we're not picking individual claimants for funding. I think we all get approached by a lot of really worthwhile organizations that come to us and say I'm a really worthwhile organization. I am hitting an area that is in your sweet spot. Will you help me with that? And I don't know if the better function for us as council is to say let's put X number of dollars against workforce development and then give it back to our staff to weigh the best way to make uses of that money.

[1:42:41 PM]

So in this economic development section there are those two things that relate primarily to workforce development with the capital I.D.E.A., which is Ed 104, and the technology, which is Ed .106 and I see them both as investments in training people who live here to get better jobs. This Austin technology council ties into the white house tech hire program, which was encouraging companies that have tech that don't ordinarily see these people -- this universe of people in the pipeline that comes to them as they're filling the positions or opportunities. That's why it was there.

>> Tovo: I appreciate that. And I think what I would want to know, and again, you know, I would say generally I agree with you. It starts to make me uncomfortable, though I've made recommendations of this sort too, but I do think we have some existing kind of grant processes and sometimes organizations come through the budget process and sort of step around one of those. And that is a practice that makes me a little uncomfortable. So I agree with your point that maybe we need to talk about how to elevate some of those discussions into allocations of funding for particular needs that then get vetted with any organizations that feel they could compete for that money. But what I think I want to know then about this concept menu item is how the Austin technology council is affecting those kinds of job training opportunities. You know, because they have multiple things they do and that wasn't -- that's not one of the functions I'm really aware of. And we do have people operating in this area of stem, stem work in the schools and job training programs, so I need to better understand certainly before I voted on an increase, but even really to keep the 70 in there, I would really want to better understand how they're doing -- how they're doing what they're proposing to do and what -- what -- whether they're really the right organization, if we're going to make decisions about organizations to fund, whether they're the right organization to fund to do that piece.

[1:45:05 PM]

And I do want to have resolved, again since they have this now whole advocacy arm to in part communicate with us about different kinds of issues that they believe affect the technology council, I really want to understand better what their funding picture looks like generally.

>> Mayor Adler: So in that regard with respect to economic development, those two potential things I would also do the same thing with capital I.D.E.A. Potentially, the better description of what that is. Yes, Ms. Pool?

>> Pool: I agree with what mayor pro tem tovo is saying about looking for specifics. I don't know if the tech council has provided a work plan that would set them on the road for the 225,000. That is something that we've talked about. And last year they didn't meet the elements of the contract and so they weren't funded and we had -- I've had a number of conversations with folks with the tech council. So what I might suggest, since I am the one who put this on the concept menu, I would also -- and I think it likely that the colleagues who joined me on this item, I think what we would like to see from the Austin tech council is what their plan is for the monies and have it be a fairly -- to align with the same kinds of work plans that you have with capital I.D.E.A., for example, so that we can see where the areas of economies of scale might be, where they align with other non-profits or other governmental entities so that they can boost their effectiveness. And then if we can get that before we're done with the budget, then maybe we can move this forward, but I think that that would be a reasonable request from them and I share the mayor pro tem's concerns too about the advocacy wing. I want to make sure -- because we need to make sure that we have clear lines separating what we do officially with our funding that it doesn't inadvertently flop over into an advocacy which may have campaign and political ramifications.

[1:47:19 PM]

We need to keep those very separate. Does that sound good to you? Mayor, does that sound good to get the information from the tech council before we take this up? We have a couple of weeks in order to pull something together. More meat on the bone, as they say.

>> Mayor Adler: I agree with everything you say about the couple of week part because I think that we could easily be considering these again the end of next week. I mean, again, next week Monday is gone. I think some of us are gone on Tuesday. So again I'm going to ask people to take a look at their calendars for Wednesday, Thursday and Friday as a council. I think we really do need to devote some time together, however many of us can be here because we can't talk off this dais collectively. I think we should. I'm giving everybody fair notice we're going to pull out calendars and take a look at that and see if we can get some critical mass. Okay?

>> Houston: Mayor, and I got in here late so this may have already been addressed. One of the things that I would be looking for is also their outreach to underrepresented communities because what I find is that people come up with these great ideas, but then it's not really -- there's no -- it's not spread across the diversity of our universe of people who need the kind of skills that their talking about. So I need to have some information about what the demographics would look like.

>> Mayor Adler: Okay. Yes?

>> Troxclair: Was this identified by the department as an unmet need, the additional 225,000?

>> [Inaudible].

>> Houston: One more question, mayor. What does ifr number 4 mean?

>> It stands for initial funding request. It's a request from the departments like councilmember troxclair has.

>> Pool: Mayor, why don't we take a minute to kick around -- you had mentioned this earlier when we had convened this morning about additional days that you want to maybe have us meet to talk about the budget.

[1:49:29 PM]

The reason why I ask that is since we're asking for additional work from this particular group, I'd like to more specifically point them toward a date. In my mind I was thinking September 12, 13 and 14. Those are the three days we have on our agenda to have additional budget meetings. And I think that's where we actually are making some decisions. And then it sounds like you were thinking that we may need to have some time set aside the week before, which is next week after labor day. Would it be helpful for us to talk a little bit about that and maybe put a more specific date for the tech council, like, say, maybe September 9, which would be the Friday before we would have our more formal conversations about the budget? Because that would give them just about five work days, five or six work days.

>> We actually received a proposal for the \$225,000, but we do need to collect more details to share with you. So we actually have a meeting that's set with atc for tomorrow. So we'll be working to get that.

>> Pool: Excellent. We don't have to worry about a deadline. You guys are on top of that.

>> Mayor Adler: Thank you. I will return here in a little bit, though, to actually pulling out calendars and seeing if there's some time we can grab together on the 7th 8th and 9th. The other things that I think that I've posted on here with some other folks are Ed 102, 30 and 05. Those are things that -- there was the -- a lot of work done by the music and arts community together to identify things that as a city we might do in response to the fact that we're the live music capitol of the world. It generates a lot of who we are. That is an industry that is not really developed in verticals the way that it can or should be.

[1:51:30 PM]

So that someone who is in a band of 23 can actually still be in an industry at 45 and actually supporting a family. It deals with a lot of the same affordability issues that everybody in this city is dealing with. But I think that there are things about this industry that if we can set on a good practice with music we could then apply to the creative arts community more generally. I asked them to kind of go through what was a pretty exhaustive list of things to do, many outside the city budget, raising money to save some of the iconic music venues, outside of the budget in terms of getting participants to help us create the industry verticals generally. That was in part a focus -- focus a part of the trip that I took to Asia in July. As we went through those and figured out where the funding could be both in and outside the city, these were the three things that rose to the top. I think being the things that the community thought and economic development thought might be the most impactful in that area. There is a budget that exists in economic development right now, an economic development funded budget that could be used for this kind of creation or support of industry. I understand that's funded every year with funding from the general fund. And I think there's about \$500,000 in that fund. So the first one

[1:53:34 PM]

>> There are three items here, a 200 item, 200 item, \$75,000 item. I would point out that third is really a \$125,000 cost. Those are the ed1.05 that says 75,000. There are three items here. Eed -- do all ed1. .02 is funding to support performing space crisis. We're losing some of our iconic places right now because rents are getting too high. You know, a lot of organizations and this is kind of a stopgap measure to keep these artists in our community while we figure out hopefully here over the next year what the more long-term strategy would be. But while I think the original request was much higher than this, this is what we thought we could do to help as described in here with music venues, the .03 was the desire to create an economic services group that would minimize costs for some of the venues that we have operating, to help folks deal with a -- permitting and other process that seems to be a real barrier to that industry really surviving in our city. And then the third one is .05, which is a development program. That's \$125,000 program. They're going to go out and raise \$50,000 outside of the city, but that would be combined \$475,000 which could be funded out of that existing fund that's in economic development. So it would be taking it and focusing it in that direction. Have I left anything out that would make for a better description of that?

>> No. That's correct.

[1:55:34 PM]

>> Mayor Adler: Mayor pro tem.

>> Tovo: I have a couple questions about that. Very quickly, who is going to be raising the additional 50,000 for the music revenue development program and from where? And then I had another question about the venue. Is that -- were you saying the staff was going to be doing that?

>> Mayor Adler: No. It was the stakeholders.

>> Tovo: Are going to raise 50,000 from outside --

>> Mayor Adler: Outside.

>> Tovo: Non-city funds.

>> Mayor Adler: Non-city government funds.

>> Tovo: So I asked a question --

>> Mayor Adler: Big tip jar at all the events that happen in Austin over the next six months.

>> Tovo: In budget question 2.02 id is the question about the music venue assistance program fund -- no, just the music assistance fund. It looks like last year it spent -- 34,000 was spent from it and the comment was made that staff intends to seek city council approval this fall to expand the eligibility compliance for this microloan program to serve more businesses. Well, why not capture some of that funding, which is about 70,000, for ed1.02 rather than -- I don't know what the \$500,000 fund is? That's my question. Question. Couldn't the music venue assistance program money be applied to this performing arts space need? Or maybe that's what you envisioned when you talked about expanding the eligibility guidelines.

>> Mayor Adler: Which question number was that? I'm sorry.

>> Tovo: 202.

>> Mayor Adler: Thank you.

>> Alex Lopez, deputy director in the economic development department. What we were looking at expanding the scope of the music venue assistance program was to capture more creative businesses, not just music venues and to be able to address more than sound mitigation issues, which is what the fund is limited to right now, to address some of the issues that the mayor brought up.

>> Tovo: Was that what was being contemplated, that those funds could be used for repurposing or redeveloping city-owned facilities?

[1:57:44 PM]

The kinds of description that's listed under this concept item?

>> Wasn't necessarily for city facilities, but to lend out to businesses that are experiencing those situations right now.

>> Tovo: Okay. Good. So it sounds like there's a match then, I think, right, between the funding, the funding that is right now in the city manager's budget for music venue assistance, were we to change the criteria, it would match up with ed1.02?

>> Able to lend it, yes.

>> Tovo: Not exactly the amount of the dollars. Can you tell me what \$500,000 fund the mayor was referring to?

>> It is the music venue assistance fund.

>> Tovo: Why did I not see 500,000.

>> I believe it's 457. Around 400,000.

>> Tovo: Okay. Thanks. So that actually has quite a bit of funding in it then. Okay. And then I guess the only -- the only -- just my first comment on this, I think these are important needs. I do have some question about 1.03 because it is adding two ftes and I really want to -- I think I want to know more about that particular need and whether that's the best way to address it. Knowing that those will be -- you know, those aren't one-time expenses, they're going to continue on into the future and as we discussed earlier it's -- you know, we're not just in a tight year now, we're going to go going to be in a tight year next year. I really want to better understand -- I want to better understand the need that would give rise to this allocation.

>> Mayor Adler: I think part of that is -- and then -- I'm speaking for you guys. I probably should shut up and let you speakers but part of it was that we have a music -- it was important enough for this council to create and for the manager to create a kind of music office that really ought to be spending its time figuring out how to make a sustainable music industry in the city and to stop the loss of our musicians and our artists more generally.

[1:59:52 PM]



But they're spending all their time doing permitting and code work. I want to free those people up to do what we really want them to do, but we have to be able to then meet the need that they're trying to meet while they're doing the other stuff and not doing that as well as they should and not doing the other as well. But more detail on that from the council I think would also be helpful. Do you want to respond to that? Then we'll come back to the dais.

>> I think that was exactly it. We spend a lot of our resources addressing permitting issues or questions from venues, questions from residents, and we're not able to dedicate as much time and energy into the actual industry-development component of our local music industry.

>> Mayor Adler: Okay. Yes, councilmember pool.

>> Pool: So last year we talked about the fact that the music office spends a lot of its time measuring noise. I'm talking about noise mitigation. There was some interest from the dais in shifting that work and the equipment over to code or to some other office to free up the music office to do music industry-related work rather than code compliance. Remind me why we didn't do that, and tell me why we shouldn't do it this year. It seemed like it had to do something with the equipment and having -- knowing how to use it, which is also a training issue and shouldn't really be an obstacle offer a barrier in shifting it if in fact that activity would be better handled by different staff. So --

>> And there is certain components of the noise monitoring, sounder monitoring issues that might make sense in other departments from a training perspective. I believe it's just the staff in the music division and perhaps A.P.D. That are trained on how to use the equipment that we have. We are working on training other staff on how to use it.

[2:01:53 PM]

The balance comes in understanding what the nature of the complaint is and how best to resolve it because if it's still coming from a music venue, that's where it might still best be served for our experts to be able to work with that music venue to address it.

>> Pool: The relationships which you have developed.

>> Exactly.

>> Pool: And your knowledge of what's involved in having a music venue.

>> Right.

>> Mayor Adler: I think we found that when we have our music people implementing those ordinances they find actually better ways to meet everybody's goal, both the neighborhood goal as well as the venue goal.

>> Pool: Do we still have some of the staffing short falls, as far as the amount of time that's being spent on the noise mitigation versus the time that's needed for developing the industry and finding ways to help musicians and other artists within the venues be able to stay open and have the musician there's?

>> Yes, we do. I mean, we still are spending a pretty significant amount of resources helping the music venues address those issues.

>> Pool: And you're feeling that there are -- are there two additional ftes coming in?

>> Mayor Adler: It's 1.03.

>> Pool: 1.03. So that would help with that piece, wouldn't it?

>> Correct.

>> Pool: Okay. All right. Thank you.

>> Mayor Adler: If these things all came out of that fund then it would have a zero impactant general fund because they would then be tapping into that fund. It would have an impact the following year with respect to the two ftes that were created. Ms. Houston.

>> Houston: Yes. I was excited about ed1.02 because salvage vanguard and Austin are losing their space -- have lost their space. I'm not sure what's happening at Austin, but they're doing something at salvage vanguard.

[2:04:00 PM]

I'm not sure what that's gonna be. In the additional information it talks about initiatives including identifying central city of Austin owned properties and facilities that can be repurposed or developed within -- for affordable space rentals. The other thing I want to help us think about perhaps is the fact that we have theaters in some of our cultural centers, the Mac has a performance space, carver has the board Vance theater and if there was some way to have better coordination, utilization of that space and to have the staffing there at night so that people can have -- play productions, then that would help, I think. But that's not part of this conversation, and so I want to interject the fact that if we were able to use those spaces because they are city of Austin spaces but we do need to have people there to run the sound board and do all that kind of stuff so how did that fit in finding space for our arts community?

>> Kevin Johns, director of economic development. We are having those conversations with both organizations that you mentioned for that purpose. Because when they have downtime, that's a great opportunity for us to have performances there where perhaps there's no middleman and so the performing organizations can make more revenue.

>> Houston: Right.

>> So we are having those conversations.

>> Houston: Good. So part of that conversation, I think, Mr. Johns needs to be about the flexibility of the space and being able to have rehearsal time and that's the problem we've run up against at both the carver and I can't speak to the Mac because I'm not as familiar with but that has been the problem with parks and recreation having that because they're not open at night and people need to get in and rehearse so that's one of the reasons we need an additional staff person, to be able to help manage that and so we have better utilization. The other thing is the performing arts space that Aisd has. I don't know what the arrangements are with them about whether there's some interlocal agreement about how these new creative people can use that space at a reduced rate because we all pay taxes for that as well, and that's a huge performance space.

[2:06:18 PM]

The large one. Then we have a smaller arena but I think there's some partnerships or coordination that we could use to make sure we can say, well, you can't have this, but how about using this?

>> Mayor Adler: One other thing to take a look at I think, too, would be if we were to create two ftes that were doing that kind of permitting function, perhaps there's some revenue that would be associated with that nap revenue could go to that fund. There might be some additional money in that fund to do some of the other things that we might want to use that fund for. So if you could take a look at that revenue component of that as well, that would be helpful. Yes.

>> Tovo: I'd like to just talk for a minute if it's possible to flash on the picture of the fund. I had a couple questions about -- it looks to me -- and I may be reading this wrong -- as if there is a general fund impact and that we're transferring -- it's proposed to transfer 100,000 from the general fund into this music venue assistance so I guess I would also want to know whether we really need every dollar in that fund because we sure do have a lot of general fund priority needs on our concept menu. But as I understand it, the beginning balance is 464. There's that transfer. There is -- this is, sorry, volume 1, 718. There is the loan -- there's an expected loan repayment and then an expected loan payout. Is that right?

>> Yes.

>> Tovo: So, again, looking at -- I mean, I wouldn't --

>> Mayor Adler: By that --

>> Tovo: Ed -- I'm sorry, mayor.

>> Mayor Adler: So I think every year we've been throwing \$100,000 from general fund into that. It was using the loan balance, whether we should put an additional \$100,000 in I think is a separate question and if there's revenue that could be generated from the permit, there might be extra -- even after we spent -- if we were to spend that money on this, there would appear to be additional revenue, that 100,000, as well as the revenue that could get factored in -- that could also be available to spend on other things.

[2:08:41 PM]

I think without a general fund impact, because that hundred thousand already has been counted into the general fund -- I'm thinking the balance.

>> Tovo: Right. It is, yeah. It is. I was trying to run the numbers on these items and see if that hundred thousand could go back into the general fund and not be transferred in this year. Given the obligations that had -- it looks to me like there's only this \$34,000 obligation for this fund. Now, if we decided to do ed102 that clearly would cut memo that as well. I just wanted to make sure I was understanding the balance right on that.

>> Mayor Adler: So I understand, it's just under 500 sitting there now, \$100,000 being added to that, which gets us up to just under \$600,000. There's a potential for revenue associated with the permitting person that I want staff to take a look at, which would take us up above that. These three items total 475 so my sense is there's an additional amount of money there, as you're pointing out that could be spent somewhere else or returned back to the general fund. I think you're right.

>> Tovo: What is the 140,000 department requirements for economic development from the music venue assistance fund?

>> That's what we were proposing to make in loans for the next fiscal year.

>> Tovo: So there's a category you said money and property, and it's not falling under that category. It's under department requirements.

>> If I could add, the hundred thousand that the mayor has talked about is a transfer in from the general fund each year for the last five -- it looks here for the last three years as a revenue. So that adds to the balance.

[2:10:42 PM]

>> Tovo: Right. And that's the council resolution -- that was a council resolution that created that.

>> Yes, councilmember, mayor pro tem. And then there is a --

>> Mayor Adler: Good job.

>> There is a transfer to the economic development department to pay for their loan program, and so at the end of fiscal '17, after you've transferred in money from the general fund, a hundred thousand, and you've transferred the money for the loan program of 140,000 to economic development, and if you take into account the beginning balance, your ending balance at the end of proposed '17 is \$457,356.

>> Tovo: Thanks. It does sound like there's some excess. I'm going to have line it all up but it does sound like there's a little extra there if that 140 goes to ed102.

>> Mayor Adler: Little more detail on what that 140 is if we don't do this so we can understand what we might be preempting that would be helpful.

>> The 140 is just an appropriation amount in anticipation of loans we haven't issued yet that we think might happen. If you look at the history typically we've been doing loans in the neighborhood of 34,000 to 87,000 per year. They don't know what loan request they're gonna get and what will be approved.

>> Mayor Adler: I just didn't know if there were any applications in the works or -- so it's just approximation application.

>> No, we don't.

>> Mayor Adler: Great, thank you. Okay. Yes, Ms. Garza.

>> Garza: Sorry to go back to the technology council. I thought you mentioned something about they had interest in, I guess, like, workforce development for people in the tech industry. Is that what you said? Some of this additional funding would be possibly used for?

>> Yes, councilmember. We're -- we just received a scope of services, and we're looking at that with them. But it's our goal and their goal to connect these two, 300 technology companies to the workforce organizations and to the workforce that needs -- that they need to fill these 9,000 positions that are being created.

[2:12:53 PM]

>> Garza: Okay. I guess I'd like to know if there's possibly any overlap with the capital idea, ed104. It says that it's for job training programs and information technology and allied health fields. So I'd be curious to know if there's overlap in what the technology council was planning to do and what capital idea does? Because any workforce kinds of solutions are great, but, again, with limited -- with limited dollars and -- we've seen the work of capital idea and the great results we get from them. I'd just be curious to know if we can whittle down that money from the tech council maybe because we can cover it -- hand it over to capital idea.

>> We've had a great experience with capital idea. We've won the silver award amongst the top organizations in the world so we know they're really great. The difference is that the companies that are in the Austin technology council would actually do the hiring. So it's a good match. They wouldn't only be doing the training. They would be preparing for their -- these employees to work at those locations.

>> Garza: Did you say they wouldn't only be doing the training?

>> They would be doing the hiring as well. They've forecast they need 9,000 new technology workers and so they would be a source of employment. So it's not just the work they do with workforce organizations like skillpoint or workforce solutions or capital idea, but they're actually a hiring factor. They're doing the employment within their own companies too.

>> Garza: Okay. I guess it just sounds like there might be overlap and if one organization is training them but also this tech council wants to also train them and connect them with jobs, I'm just saying can capital idea train them and then they just do the job connection part?

[2:15:06 PM]

>> David Colligan, again. I think there would probably be minimal overlap. I think atc would be able to bring forward industry representation. As the mayor spoke to earlier the work we've been doing with tech hire, the industry representation has been incredibly important in being able to make that programming from capital idea and other providers within the community more relevant.

>> Garza: Okay.

>> So the dollars that you are proposing for capital idea would provide us a number of unduplicated individuals going through that programming and then, as Kevin says, I think the connection that we can make is being sure that that programming is relevant, the wrap-around services are still there for those

unduplicated clients to receive the level of attention that they need through that process and that they do ultimately connect with a job here.

>> Garza: Okay. I'm curious to see the plan that you're gonna bring forward. So thank you.

>> Houston: Mayor, it would be interesting to know what other contracts we fund that do the same kinds of things, like goodwill has a tech opportunity and so, again, it would be nice to have all of the things that we provide funding for that have to do with getting people ready for tech sector Johnson. Sector -- jobs.

>> Mayor Adler: Issues? I have a feeling I think where people are. If anybody else wants to speak on those before we go to the next area? There are budget reductions that are listed on here. I don't know if anybody wants to talk about those. I at this point would not be supportive of these budget reductions to the economic development department.

[2:17:15 PM]

That would be ed2. Ed206. Five, six, and seven.

>> Tovo: Mayor?

>> Mayor Adler: Yes.

>> Tovo: I'll say -- I'm interested in seeing the data for 2.07. I did submit a budget question aimed at eliciting that information, whether any companies have protested their tax evaluation and I believe I was supposed to submit a follow-up question for 2.06. We had a good discussion last week about that 5% contingency I think after the discussion with Mr. Van eenoo it looks like the amount remaining in the economic incentives reserves fund is equivalent to the 5% contingency amount. And I had intended to submit a question, which I haven't done yet, but to see how close our projections are typically over, say, the last five years so we know whether we really do need to be that conservative or whether we can hold back a little bit. I'm inclined to think that we should probably keep that 5% in there but just wanted to have the data to know whether -- you know, how that typically looks over the last few years when we go to consider 2.06.

>> Mayor Adler: Okay. Anything else on this before we go to the next page? On the chapter 380 agreements, there's no decision that we can make as a council that binds a future council to expend their funds in any way. So a clause in a contract that says -- so someone comes to us and they say we're willing to make a multiyear commitment to you if you'll make a multiyear commitment to us, in many respects the city cannot do that because by law, by constitution, we can't, as a council, commit future uncommitted funds.

[2:19:31 PM]

So there's a boilerplate language that goes into all of our contracts, all of our contracts, that says, basically, to the degree that there are uncommitted funds now that we're talking be that a future council needs to commit, we can't speak for that council. It's all subject to that council doing that. Yet as a city we want to be able to enter into multiyear contracts with people, multiyear agreements with people, and the way we do that is we enter into something, publicly debated, publicly vetted, you do this every year, we'll do this every year and of course by constitution we have to say if it's -- each council has to decide. I would be really uncomfortable with us as a city breaching that implied agreement even if we have the legal out that was available to us under the constitution because I think people that we talk to should be able to rely on us. I know that we could do it without legal recourse, you know, to me it's kind of like, you know, some of the people at the national political level are suggesting that we don't -- that we don't fund our obligations. The question that the mayor pro tem is asking with respect to ad valorem tax is a separate issue, I think, and I think that the issue raised -- raised there was that if there

was an understanding as to what the tax revenue would be and then a party comes in and starts changing that, knowing there was an assumption made that tax levels would be at a certain point then I would want to have that information, too, to be able to analyze it. Do you want to say something.

>> I just wanted to add, I know you had asked for an executive session on this and we're certainly prepared if you have need for that I think in the matter of time, happy to send something in writing as well to cover that question about whether or not you can not fund the agreements that you already have specifically the ones that have protested their taxes.

[2:21:40 PM]

I know that EdD has developed a lot of information in response to your question about the very few companies that did that. So we can provide further information.

>> Mayor Adler: Why don't you send that to everybody, if it doesn't create a lot of work, and then if people have questions then we can convene in executive session to discuss it. Does that work for you? It's your question.

>> Tovo: Yeah. I think as I was explaining to one of the constituents who had raised a question about this earlier, I think really once we get the question -- once we get the response banning through the q&a, we'll know what the situation is, whether there even were any companies who protested their tax valuations this year. It could be a moot point. At this point I'm comfortable -- I would be comfortable holding off on that question, the legal memo, until we know whether there's even really a discussion here to have. But I'm happy to do whatever the rest of the council wants to do on that point.

>> Mayor Adler: Okay. Anything else? Then for economic development, before we go into employee pay and benefits? Then let's move -- thank you very much.

>> Tovo: Mayor? I'm sorry I should say it sounded like there was a lot of interest last week and I think that would be a helpful discussion to have with legal at some point. In terms of the timing before budget, I know you have a lot of other pressing needs. I do think at some point it would be great to have that information.

>> Mayor Adler: Potentially depending how your question gets answered we might need that conversation now. Okay. Now, on the employee pay and benefits. I love pb1.03 both because it continues on our internship programs and because it doesn't cost us anything. I love them. These are departments, agencies, that are willing to figure out -- step up and figure out how to do this and, again, I repeat the earlier thanks that other councilmembers have given.

[2:23:47 PM]

>> Pool: I wanted to mention there were two that we started last year and one of them was continued on its own, without any prompting from us, and that was with the convention center and those, I think, Mr. Tester was here last week and said those students were real stars and so I appreciate the aviation department also continuing it and main next year they'll put it in their budget without having to have a prompt from the council.

>> Garza: Does this require a vote? It says if council directs. Do we need to take official action?

>> Mayor Adler: On something like this we need to vote -- budget ordinance, does that need to be in it? No.

>> I don't think so. I think you've expressed your desire. We'll work with the departments.

>> Garza: So we've directed -- we've directed -- it just says council directs. I want to make sure whatever needs to be done is done.

>> It's something that they're already planning to do.

>> Garza: Okay.

>> At this point.

>> Mayor Adler: Although that does give an interesting question to -- as we go through budget processes and every year I think we're gonna be refining this and looking back on it and saying, my god, don't do that again.

[ Laughter ] As we get better and better. The concept of having a budget rider document is something else I think that we should consider as a council, as an independent direction to staff as concerns implementation of the budget, is something I think as a council we should consider doing, similar to what we just did with the resolution that was associated with the bond election with the people in our community. We could also, I think, have a bond rider document that contained exactly that kind of thing. It's not in the budget ordinance resolution or maybe it would be, but I just throw that idea out.

[2:25:52 PM]

I'm not sure there's time to really develop that this year but going forward I think that's something we should consider. Okay.

>> Pool: Just as a follow-up on this one, pb1.03, should we continue it, say approved, should we delete it? Since there's the desire of council to have aviation department do it? It sounds like they're going to do it, just to close the loop, should we take it off or what do you think some.

>> Mayor Adler: I think it stays on. They're not going to put it into the budget ordinance because of the conversations that we're having, and at this point in the process there's not much we can do with this other than say we want it on the concept menu and it's here. I think more we have kind of a negative ability. We can take things off if we're trying to signal that we're not going to do them, although the council last week didn't seem very inclined actually to take things off and I need to Ven -- hate to venture down that path again. I'm not sure we really need it if we're having a full, robust conversation like we're having right now.

>> Pool: Maybe in the additional information we can just say that it is the general consensus of council to have aviation department continue with the program so we kind of answer their gambit with our direction and we don't have to take it up again and it will be mechanallized somehow.

>> Mayor Adler: Figure out a way to memorialize that in what we're doing. Anybody else want to talk about anything.

>> Casar: I'd like to note I think the information was posted up about -- I understand that it's a tight budget year and going from the 2% to 3% would be a tall order and so we've also submitted a question to see what it would take to get the 2% pay for performance implemented in October as opposed to January so take a look out for that information. It should -- I believe it's likely already been answered as a budget question, but it's of course a significantly smaller figure than what's listed to get to 3%.

[2:27:58 PM]

>> Mayor Adler: Okay. Anything else on this item? I would mention as an aside, not sure really totally germane to this, but the city just received a letter from the first lady congratulating the city of Austin on the veteran homelessness. Kind of neat. Yes, Ms. Troxclair.

>> Troxclair: Oh. I think I turned my light on because I don't know how much longer I'm going to last at this meeting today and I just --

>> Mayor Adler: Should we be getting nervous?

[ Laughter ]

>> Houston: Are you ready to do all the work?

[ Laughter ]

>> Tovo: And I just -- I thought I would speak really quickly to the -- to, let's see, ot2.04. It's the only one of mine I see highlighted, page 40 of 47, has to do with the 10% reduction in contractals and commodities for all departments.

>> Mayor Adler: What number.

>> Troxclair: Ot2.04, page 40 of 47. 10% -- the sheet that I handed out earlier had the same item on it, but it was at 5% instead of 10%, and, I mean, it's up to the council to decide, but it seems like a 5% reduction in things like travel budgets and memberships and incidental expenses is somewhat of low-hanging fruit and somewhat reasonable so I was kind of surprised to see it tagged for today, but so I just wanted to encourage y'all to keep that on there. I think even if you reduced it to 5%, the savings would be in excess of \$13 million.

[2:30:06 PM]

Of course if somebody -- if you wanted to make it more narrow, to only apply to maybe certain expenses or something -- if there's an expense out there that I'm not thinking of that couldn't handle a 5% reduction, I'm sure we could make that more narrow. So I just wanted to voice those thoughts before I leave.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I have a question. I know we considered a proposal of this sort last year, and I was trying to remember who had asked the budget question that yield the information about what falls into that category of contractals and commodities. If I'm remembering correctly, a good deal of the expenses within that budget line might have been all the library books for our libraries. Is that correct? I mean, I remember looking through the pages and pages of expenses that were returned as part of that q&a, and I think there were definitely some issues.

>> Sure.

>> Tovo: It appeared to me it was not an easy fund just to reduce because we rely obviously on those books.

>> If you're focusing mostly on the general fund the largest contract we have in the general fund are our social service contracts so --

>> Tovo: Those would also be within this proposed reduction of 5% offer 10%.

>> Zimmerman: Library books, contract with the county for jail services, all of our utilities, electric, water utilities paid by the general fund, \$11 million, because those are all part of that. So those are really the bigger things, the things like the travel and -- that's not the bigger part of those budgets. Like our emergency medical services, all the supplies and equipment they use, that's all contractual.

>> Tovo: All within that same fund. Okay, thanks. I'll along back at last year's budget question to refresh memory memory. Thank you for that clarification.

[2:32:08 PM]

While I would contemplate a decrease in things like a travel budget if that travel budget line was excessive, I think it's really challenging to go in there and cut medical supplies and library books and another -- things that are really core support for our core services that we offer taxpayers.

>> Mayor Adler: Okay. Then we'll continue on.

>> Casar: Mayor, right before, councilmember troxclair, is there a list of -- could you just help us right now on the record so I can write this down where we can best find the list of what all that stuff is or, mayor pro tem, because I'm -- if we're parsing library books out from travel budgets I'd want to figure out which things, to be responsive to your request, which things we might actually be willing to take a look at? What's the best way for my staff to dig in on this.



>> Troxclair: My staff probably has that information. I don't have it here in front of me.  
>> Casar: Okay.  
>> Troxclair: And that's why I specifically mentioned if there's things that need to be -- things that need to be separated.  
>> Councilmember, I'm sure Ed and staff can provide that information because we do have that broken down in each of the respective departments so we'll be happy to provide that.  
>> Things like the traffic budgets, memberships, we have all that stuff broken out where we could say --  
>> Mayor Adler: I think what we're look for is what apparently was similar to the budget answer a year ago.  
>> Tovo: Yeah I think --  
>> Mayor Adler: So we can actually see relative weights of those.  
>> Tovo: Even just looking at last year's answer might be a good start to see whether we even really need to -- you know, that maybe that might lead us all to a more specific question about food and ice or, you know, I think there's -- there are more specific line items. I think we eventually got around to that conversation last year, but, again, I can't remember who filed that question last year, but if we -- we can probably find that in last year's q&a.  
>> Mayor Adler: Okay.

[2:34:08 PM]

And then, Ed, when you get that information, if you could point us to it, that would be helpful.  
>> Sure.  
>> Mayor Adler: Okay. We ready to move on? Mayor pro tem.  
>> Tovo: I have a question related to benefits. Would this be the appropriate time to ask?  
>> Mayor Adler: Yes.  
>> Tovo: So I -- in one of the presentations there was a reference to the changes in the health insurance plan, and so I did ask a question, and it's question 180, about those changes. To the health insurance plan. I want to talk about some of those because they are -- we haven't really had an opportunity to talk about it that I can recall as a group and there are somewhat appear to me to be pretty big shifts in responsibility, financial responsibility with regard to the health insurance, and then I have heard from at least one employee expressing some concern about this. As I understood the information in 180 it looks like there's a new, I don't know, framework where there's now going to be a tiered network and then your network providers' cost will increase, so there will be an increased copay for using a network provider if that network provider is -- does not fall within the tiered network. Then, also, that within the network providers, those copays, the insured party will now be responsible for 30% versus 20% of those costs of network providers. So could you walk me through generally kind of what some of those changes are and who -- who are the -- who will fall into tier 1 network providers and what kinds of drugs will fall into tier 1, and how has the workforce been educated about this proposed change? Because I do think it has a potential to be really significant in terms of their budgets.  
>> Yes, yes, ma'am. Julia hays, director of hours. The proposal in an effort to cut down the contribution costs for the city in our conversations with you in may we talked about creating initiatives that would encourage our employees to utilize providers that yielded us the best benefits relative to their results so this plan allows us an opportunity to create a tiered environment where those providers who had proven experience, proven results in higher health care benefits loose an opportunity to move our employees to those providers, but it doesn't preclude them from the opportunity of keeping the doctors that they already have.

[2:36:33 PM]

So basically there is a financial incentive for them to transition those services to one of those providers. I have here with me my assistant director over benefits, Karen Haywood who can go into more detail about what those changes would be in the tiered system.

>> Good afternoon, Karen Haywood. There are 2,000 providers in the tiered network of services we're contracting with. Most will be seton-based providers and the reason why we looked at that is based on deeper discounts and negotiations that was able to lower the premiums that employees will pay. When we began to take a look at it, just like Julia indicated, what we're looking at, if you're going to use a tier 1 provider you will actually see an incentive. If you're staying within the network you'll keep the current copays you're paying now and in some instances there will be increases to those plan design changes as well.

>> Tovo: Can you talk a little bit about the second part of my question, about what the outreach has been like amongst staff? I received a communication from one staff member who wasn't aware of the changes until I asked the question and, I guess, they're following along the budget q&a and happened to see the response and said, you know, the copay increases -- to go from -- you know, if you have a network of doctors and most probably do, if they don't fall within the tier 1, and many of their doctors may not, you know, then the employee becomes responsible for 30% of those costs versus 20% with this change. So it could be really significant. And then the prescription piece, it's my understanding is also going to operate that way so there could be prescriptions people are on that are not -- don't fall within tier 1 and thus won't be covered at the same rate.

>> Okay. So the proposed pay and benefits flyer, that's typically when we first communicate the benefits changes. That just went out to employees this week. On the drug formulary, the drug formulary is not changing so that will not have a tiered effect, okay? So employees using drugs will not be, you know, impacted in regards to a tiered effect.

[2:38:39 PM]

When we talk about the 20% versus 30% coinsurance that really typically is for hospitalization. So if you're just sort of staying in the realm of seeing doctors and specialists, you have a copay. If you go into inpatient/outpatient surgeries, that's when the coinsurance will apply.

>> Tovo: So what would then be -- okay. So if you're using network doctors but you're doing it in a hospital facility you're responsible -- the change, though, would be from a 20% responsibility to a 30%?

>> That is correct.

>> Tovo: Thank you for the correction about the prescription. I was -- I misunderstood that. What is then the step therapy program?

>> So the step therapy program, I think I'd like to start with anyone that is currently on the plan that is undergoing any type of treatment will be grandfathered in. So step therapy program will only impact those that are newly diagnosed or new to the plan and really what it does is it has people start off with tier 1 medications for anything in regards to, like, high blood pressure, arthritis, those types of treatments, so chronic conditions really need to begin with using tier 1 drugs. Like I said that if you're already currently using a drug that would fall under the step therapy program, we're grandfathering you in so there's no impact to those

>> Mayor Adler: employees.

>> Tovo: There is a change to prescriptions going forward.

>> If you're newly diagnosed, that is correct.

>> Councilmember, I would note if there's a dispute or disagreement the tier 1 drug is appropriate, there is an opportunity for the pharmacy and the doctor to have a peer to peer conversation so that the employee is actually receiving the most appropriate medication and so if there are some concerns from

employees that a tier 1 drug would not be appropriate there is opportunities. But this does allow us an opportunity to encourage employees that utilize tier 1 genetic medications first before receiving medications that may be covered with the current generic medicines that are available.

[2:40:46 PM]

>> Tovo: Is there a list? Thank you for the information about the brochure going out this week about is there a list or link to who the tier 1 physicians are?

>> There is not as yet. Typically what we'll do, we put out what the proposed benefits are and once the budget is approved we will put additional information out. So the last week in -- the 16th of September is when we are looking at the approved going out. That's when more information been distributed. In addition to that, then we will begin to have open enrollment discussions with employees mid-october through mid-november, and we typically do about 70 to 100 presentations out in the departments.

>> Tovo: So by adopting this budget we're adopting these plan changes?

>> That is correct.

>> Tovo: Well, I would -- I'm just look at the back of my card do see about the copay. What you're saying is the copay -- the copays to network providers have not changed? I had thought the specialist copay was at \$35.

>> The specialist copay -- there are some copays that are changing. Some will not. So our primary care physician currently is a \$25 copay for a network provider in 2017 that will continue at a \$25 copay. However, if employees use a tier 1 provider they will pay a \$10 copay. Specialist is increasing on there.

>> Tovo: I thought that was increasing so that is currently \$35 and that's increase to go 45.

>> That is correct.

>> Tovo: And then again we just talked about the change in the coinsurance and I appreciate what you're saying about hospitalization being the point where that kicks in but as we know that is also the most -- that's the place where you incur the most costs of somebody seek medical treatment. Thank you for walking us through some of those changes. I hope we have an opportunity to hear from people. I hope as the word gets out they'll weigh in on their feedback regarding these changes.

>> I would just like to add that one of the things we committed to you in may was looking for ways to bring down what we earmarked as a 12% and we were able with these changes to bring that down in terms of the city contribution down to an 8%.

[2:42:56 PM]

So in an effort to do that and to save those funds, these were the types of changes that we've made, to try to maintain the integrity of the program and integrity of what we already provide but also incentivize employees to utilize those providers with those program results and that's how we tried to balance is that while maintaining the quality aspects of the health care plan that our employees have identified.

>> Tovo: Thanks for that context.

>> I think just as further clarification though the budget is approved mid-september the benefits won't go into effect until January 1.

>> Pool: I have a quick question.

>> Mayor Adler: Yes, Ms. Pool.

>> Pool: Can you describe a virtual visit? Is it what I think it is, online or Skype or something like that.

>> That is exactly what it is.

>> Pool: How many of the physicians in town offer that?

>> So the virtual visit isn't really provider-based in town. What it is, you start off with a 1-800 number or email them in to schedule an appointment. So it's not the same list of network providers. You know, that you would see in town. So it's a separate network of physicians.

>> Pool: So if physicians you might not know who they are and so you wouldn't have a relationship with them?

>> Correct.

>> Pool: And you may not be able to establish one either, right? It sounds like kind of a rotation.

>> It's a choice. I think some employees seek opportunities on a very small basis, colds, hay fever, seasonal allergies, where they have a better understanding and they don't want to actually seek to go out to the doctor. This just provides our employees an opportunity and choice to utilize these services if going to their provider is not what they choose to do.

>> Pool: It might actually be a better choice than trying to Google your symptoms yourself?

>> Yes.

>> Pool: Okay, okay. That makes sense. Thank you.

>> Mayor Adler: Ms. Garza.

>> Garza: Yeah I had concerns. My office was also reached out to by an employee, and I understand that we negotiated, I guess, with a certain provider for this tier system, but I feel like I -- like our lower-income employees sometimes aren't in a -- you know, if there's some diagnosis that they've had and they have found their specialist, they've done their homework, which a lot of people don't do and know they can or should do, you know, it takes a lot of work to find sometimes a good doctor, and then to be told, you know, now you have to move to this discounted doctor, I just -- I have really big concerns about that.

[2:45:43 PM]

I'm wondering what the -- what is the savings? Because an argument can be made and the argument was made in the email I received was -- it's like you're punishing somebody for seek that care that will keep them healthy. And if we -- if -- how much are we saving if on the front end we're saying we're gonna save this money on the front end but on the back end if the instance is they seek out a doctor with less experience or whatever and then end up in the hospital because of, you know, not either seeking help or not having the appropriate advice and now they're in the er and it's costing the city more money. So I'm curious to know, like, how that's factored into these decisions? But my question would be, what exactly are we saving by moving from the old system to this new --

>> I'll let Karen answer the piece in terms of the savings. What I want to articulate and make clear, the quality of service is not something that's going to be compromised. These are proven, experienced doctors. Many of these doctors are already the doctors that our employees are already using. Allowing us the opportunity to go back in and negotiate with this tier 1 system gave us the opportunity to create these savings, but I don't want there to be a mind-set that by transitioning to the tier 1 doctors you're receiving less care from less experienced doctors. They're still the same doctors that are a part of the system now. They're just a selected group of 2,000 who have proven themselves in the industry to be high performers, acknowledged by the industry and have had proven results. So one of the things that we're trying to create here is, one, opportunities for cost savings are mixed -- amid of the the reality of increasing costs of health care so our employees can select to stay with their doctors. They may already be in a tier 1 system doctor provider or go ahead -- and with the familiar doctor they have, still address the rising costs. So this was really the compromise to say we don't want to compromise the quality of service and certainly the tier 1 option is not compromising service.

[2:47:46 PM]

It's just steering people to those doctors for whom we've seen have the kind of results that create the better, healthy employee. So I just want to clarify that piece relative to what the tier 1 system looks like. I'll let Karen speak to the cost savings.

>> Garza: Just to address your response, that's a hard apples to apples I feel like comparison to make for somebody who has a doctor that they think is the best and then to say but Dr. C is cheaper and you're getting the exact same care. It's hard to make that comparison between attorneys, you know, had -- would my case have come out differently had I had this attorney? There's so much variables to that. I don't want to -- but I'm painting that now the city is saving money by giving you worst health care, but to people who have -- who go to specialists and need special -- it's hard to -- it's hard for me to tell them, oh, don't worry, that doctor is just as good, you know, don't worry? Anyways.

>> In regards to savings, when we started off looking at what the premium increases will be for employees, we were looking at a 13.7% increase. So by implementing a tiered system, which really does give employees a choice in regards to using their current providers or going to a tiered provider, we were able to reduce the rates that employees will pay for dependents down to 8.7%. So we've saved about \$8 million worth by implementing this.

>> Garza: Okay.

>> Mayor Adler: Anything else on this? Yes, Ms. Gallo.

>> Gallo: I want to say thank you. Money for all businesses in Austin, the struggle with trying to maintain affordability with the exploding cost of medical care and insurance is really -- has really been a challenge and I think you have tried very hard to find a solution that both helps the city control those costs but still allows the benefit to the employees.

[2:49:48 PM]

So I just -- I know that's a challenge for all businesses and I know it's particularly a challenge because of the number of employees we have. So thank you for your work on this.

>> Thank you.

>> Mayor Adler: Thank you. Council, incident to the conversation we just had about capital idea, I had gotten a letter from capital idea here recently that I'm posting on to the message board so that you can see it. We had collectively -- many of us had raised concerns last year about reach and about cost efficiency, and they sent a letter talking about what they've done this past year and I wanted to make that available to everybody. So I've posted that on the bulletin board. Before we leave the -- so I guess that gets us to the next section, which is fees and revenue.

>> Houston: Mayor, may I ask a question?

>> Mayor Adler: Yes.

>> Houston: Before I came down was there any conversation about when this might -- how far we gonna go today?

>> Mayor Adler: We had not discussed that.

>> Houston: Well. . .

>> Mayor Adler: Well, let's go ahead and do that.

>> Houston: I think it's something so that -- Peggy needs to know whether we're going to be here until 7:00 or -- no, not midnight but I think it's something to talk about so everybody knows where we are and whether we're gonna go.

>> Mayor Adler: This has been really level to me, really helping me understand these issues. Up to this point -- to me this feels like really the hard lift that was really gonna help us move more quickly through. So, I mean, I would stay here however long people can. So I'm not going to be the constraint on this one.

Are people okay working and having Kay bring in food for us? I'm not sure it will take us that long to actually get through this.

>> Houston: I have a commitment at 6:00.

>> Mayor Adler: Okay.

>> Garza: I have one at 5:30.

[2:51:50 PM]

>> Mayor Adler: Then let's see if we can work until 5:30 and let's see? Is that good? It's only good if we have a critical mass here. Let's work until 5:30 then.

>> [Off mic]

>> Mayor Adler: Okay.

>> Houston: Maybe we need to look at our calendars to see about the next week before we lose too many people.

>> Mayor Adler: Okay. If everybody -- I don't know if people need to email back up to their offices to check calendars or anything like that?

>> Houston: I have mine down here.

>> Mayor Adler: Everybody has that? So I would propose that we take a look at next week at times to be available. I probably, like a lot of you, have lots of things scheduled over the course of the day, but I will keep my -- I will rearrange everything I have on Thursday if I need to walk out for five minutes here or there, I'll just do that. But I could be available starting, you know, at 9:00 in the morning on -- actually, I'm speaking at 9:00. At 9:30 on Thursday morning I can be here to start working. Can other people be here Thursday starting at 9:30.

>> Pool: Oh, on the first? Tomorrow? September eight.

>> Pool: September 8 -- I think the morning is free. We have audit and finance in the afternoon.

>> Tovo: I see that. I was going to ask my staff to see if it's possible -- I think that's a very short one. We cancelled our last audit and finance meeting to make room for the special called meeting to talk about the interim city manager search, so I think that we do have a need -- let me check and make sure we still have a need but we could also potentially move that over lunch.

[2:54:00 PM]

And try to have our one-hour audit and finance over the lunch hour and that would allow us to meet all day as a budget.

>> Pool: I will need to leave at about 3:30 that day. I have some other things planned that evening that can't be changed. They've been on the calendar for a while.

>> Mayor Adler: Okay.

>> Pool: Today I will have to step away at 4:00 to meet with staff to prepare for our council meeting tomorrow.

>> Mayor Adler: Okay. Mr. Van eenoo, if you could check if your staff could check with council offices to see if people are available next Thursday, check with staff, your schedules. 9:30 on Thursday. Going -- we have one councilmember that we'll lose but if we had everybody else we could probably continue. So let's -- if you have -- maybe have people check their calendars for Thursday. Do we want to reserve some time on Friday in case we need it?

>> Pool: I can't do Friday. But y'all go ahead.

>> Mayor Adler: You could or could not? I could. We have two people that can. Can you also check on Friday? And it let me know that. And then I'll set a special meeting accordingly. Relative.

>> Houston: I would have to --

>> Pool: Is that this Friday the 2nd --

>> Mayor Adler: No, next week.

>> Houston: I'd have to step away. I have a 10:00 at the alternative learning center. But then I can rearrange some other things until like 3:00. On Friday.

>> Mayor Adler: From 9:00 to 3:00.

>> Houston: No. I have something at 10:00 and then I have to be someplace at 3:00 that I can't rearrange. Other things I can rearrange.

>> Mayor Adler: Okay.

>> Pool: And I can do some things on the 9th. I couldn't on the 2nd, but the morning of the 9th.

>> Mayor Adler: I'm just -- Thursday and Friday of next week are the ones that I'm pointing to. We will have gone all this week. Let's give everybody a Friday off to get some work done.

[2:56:04 PM]

Okay.

>> Pool: If we meet on Friday the ninth could we start a little bit later than nine A.M.?

>> Mayor Adler: We could.

>> Pool: So that everybody is actually here even if it's like 9:30?

>> Mayor Adler: Let's check on people's available time and see when people are coming and going. And then let me try to set it consistent with that. So when your office gets contacted you can mention that, that you're not available in the morning or want to start later. All right. Let's continue on. We're in fees and revenue section. Ms. Gallo, I want you to know that in this morning's meeting I laid out -- I was going lots of ox's this morning.

>> Gallo: I heard. I listened.

>> Mayor Adler: And one of the things I suggested was that we maybe considering pausing on the senior exemption this year to time it so that Travis county would then align us I think with Travis county. I wanted to make sure that you saw that I had.

>> Gallo: I did and I would be opposed to that. I think as we talk about protecting our seniors and allowing our seniors to age in place we're looking at a year this year which fortunately with Austin energy we've been able to keep energy -- our electric utility bills from going up. The electric portion of our utility bills from going up, but I think our seniors that are on fixed incomes really are struggling and I think with the potential of the mobility bond increasing property taxes that he just think it's really important to continue to have the commitment to seniors. And this is not -- this is not a large amount compared to other amounts we approve in the city. And it would be citywide and it would be both the seniors and the disabled population. I think that if we are going to begin to look at what Travis county does on their spending then I think we should look at what Travis county does on all of their spending, not just the tax benefits that they give or the homestead exemption.

[2:58:08 PM]

So I still think we really need to commit. The amount that we asked for and the amount that we put in also as a concept was the amount that would keep seniors at the same level of a tax bill as last year. So because we are already looking at a budget that would increase property tax bills I think it's really important. I think it's important for our community. So I did hear and I do understand and I think all of our conversation is a balanced conversation of where we want to spend money, but I'm still very much in support of continuing to try to give seniors the best benefit they can. And allow them to age in place. And in their homes and be able to afford their property taxes which they seem to say over and over

again that it's one of the main reasons they have to move out of their homes. But thank you for making sure that I heard that.

>> Mayor Adler: Okay. Does anybody else want to address any of these other items in the fee revenue section? Is water here to discuss that? We talked about that before, didn't we, real briefly, when we went through that. I remember now. We don't need that. Just real quickly, Greg.

>> Gallo: My memory was on four and five -- 3.04 and 5, those two -- are we there?

[3:00:10 PM]

>> Mayor Adler: 3.03, I was going to ask real quickly what's your professional advice on that reduction?

>> Greg Lazarus, Austin water. Our recommendation, mayor, is that this be examined in the utilities ongoing cost of service. We have a cost of service process that has started -- it's a complex matter that will have impacts within the customer class. If we change this it will change another as effect. We recommend that we tackle this in cost of service and have recommendations for you in 2018.

>> Mayor Adler: That's what I recall now, thank you. Any other questions about this? Did you want to ask questions about 04 and 05?

>> Gallo: I think my memory was -- where did Ann go? That we have some questions. This is back to the calculation of drainage fees and I know Ann was part of this conversation when we talked about is the other day. And what we were seeing when this was put in place, and once again I want to say how much I appreciated staff's work on this because we have had lots of situations in at least my district and citywide where calculations have produced drainage fees that have doubled and tripled the bills that used to be for the residential customers. And so one of the questions -- this was kind of the cart before the horse question, which was if we want to address some of these things, particularly in your communities, your zero lot line, your patio homes, condo homes, communities that have been built with private streets instead of public streets. And we do not use public streets in calculation of impervious coverage in neighborhoods, but in these they are included.

[3:02:16 PM]

And it's a substantial difference in rates. So we are going to propose an amendment to the ordinance to correct this, but ask we due it in the budget so when the amendment goes in place we have already calculated out for the budget -- I think legal was going to help us with that question.

>> I know that Joe has probably a lot he wants to say, but essentially you need to do the work to change the ordinance first before you put it into the budget because you've got -- they have a lot of work to come up with the calculation so that it meets all the requirements of the state law. So you can't do it right now. You will have to change the ordinance first. And then if you need to you can do a budget amendment, for example, if it's going to be a reduction in the amount of money that do comes to the department.

>> Gallo: So how do we look at proactively six months from now what happens with your budget where hopefully this amendment will pass where we correct the private street issue that we're dealing with? Because once again as we talk about seniors, there are a lot of people that age and the children grow move into these type of communities where they're smaller lots, but they're planned communities with private streets. My concern is when we do that it will impact your budget from the sense of revenues. And if we're doing that midyear is the department going to be able to handle that type of reduction?

>> Joe pan tallian, director -- pantalion, director of the water department. I think if council decides to implement this recommendation, would we be expected to have a revenue neutral approach? Because certainly if you look at either the condo issue or the other recommendation as far as how we measure rooftops, both of those are taking impervious cover off the rolls. And so that would be a reduction in



revenue which in our case then we would have to calculate, okay, what would we not be able to pay for since there would be reduced revenue. We have not gone through the process of trying to characterize how much revenue that would be lost.

[3:04:20 PM]

We would have to do a substantial amount of work which may or may not be able to be done in six months to actually look at each of these types of features, whether it's the townhomes and condos or every rooftop or every single-family home in the city to add up the impervious cover. We would want to go through that process and then typically we would go through the environmental commission, to the public utilities committee to talk about how we've characterized it in terms of the amount of impervious cover and the resulting change to our rate. If you recall in our department presentation where we were proposing to reduce the rate, what we might find is that with the reduced impervious cover on the rolls we may actually have to raise the rate so that all of our ratepayers would see a rate increase as opposed to some seeing an increase and some seeing a decrease right now.

>> Gallo: Or tighten our belts and keep our rates lower.

>> Absolutely. And it would be a matter of which of the enhancements we would do in regard to the task force on flood mitigation.

>> Gallo: So what I'm hearing is we budget accordingly with the ordinance in place and then create amendments -- as I mentioned before, I had a meeting at a town home community and they saw their rates go from the previous -- which was under \$10 -- to 26, to \$28 per house per month. And a similar situation if it weren't in an area that had private streets, but they were public streets. It's one that we're seeing quite frequently in some of these areas that I think we need to correct. Thank you.

>> Which items are those? Is that 304 and 305?

[3:06:25 PM]

>> 304 and 305. Fees and revenue.

>> Mayor Adler: Okay. That gets us to the next section, which is the health and human services section. Does anyone want to talk about any of these? There are two on here that I think are worthy of additional consideration. That would be the 1.05 and the 1.06. Is there someone here that can speak to 1.05?

>> Mayor and council, this is a childcare continuity services, the ones you were referencing here?

>> Mayor Adler: Yes.

>> This is a recommendation that we're supportive of that came out of the childcare council recommendation. And so we're here to -- if there are any particular questions we can address. I'm waiting on the staff to join us here.

>> Mayor Adler: This is a relatively big ticket item. Can you explain what it is? Is it possible to scale it or it's something that I'm interested in.

>> Yes.

>> This is a recommendation to further support our efforts with regards to providing childcare in our community.

[3:08:31 PM]

Currently this investment last time it was requested of the budget and we're unable to go forth with it. This year has been put forth we're supportive of the efforts to be able to increase the capacity to provide services around -- related to childcare in our community. This came forth from the childcare

commission. Our staff has been working with them to enhance capacity to do this. This would also incorporate child navigators, which would help individuals to get through that process. And so the belief is that this would be the effort to begin to build that capacity, enhance that capacity to do those things.

>> Mayor Adler: Ms. Garza?

>> Garza: I think this is a resolution I sponsored, if I remember correctly. It was brought through the childcare. I don't have the ifc in my binder. Staff, my staff? And it was because I guess there's federal funding that protects families once they lose their job. Is that the right one? So the federal funding provides some gap -- if a parent loses their job. And if the parent does not find funding within that time frame they don't have childcare anymore. So then obviously it's hard to find a job if you don't have childcare. I believe there was some matching possibly from Travis county and I know there was a memo in June that discussed that, but I think -- I guess you can remind me of what the options were.

>> Donna Sundstrom, assistant director for the community services division. And Travis county does fund this and this was funding to actually -- do a contribution from the city of Austin.

[3:10:34 PM]

So it is already partially funded by Travis county.

>> Garza: So they provide, is it 500,000?

>> I believe so. I'll have to double-check that. Yes.

>> Garza: Did the June memo, I thought the ifc said to bring back funding. Did they do that aside from the 500,000?

>> It did. If Luke on table -- there's three different tiered options, funding options.

>> Pool: Do you have copies of that you could share with us? I tried looking it up --

>> Garza: Is that from the memo or in our budget binder?

>> This was provided, but we can get copies for you.

>> Pool: It's hard to pull it up on the screens here.

>> Is there a budget question you're responding to?

>> Pool: It's a June 22nd memo. I guess it's from Mr. Jones?

>> Shannon, do you have an extra copy to put up on the screen? At least you can go through the information now.

>> We can put our copy up there on the screen.

>> And if you would, just walk council through that.

>> It's table 3.

>> Mayor Adler: It's table 3 and a memo dated what?

>> The memo dated June 22nd, 2016.

>> Mayor Adler: Thank you.

>> Do you want me to go ahead and proceed?

>> Mayor Adler: You can go as soon as it gets up on the board. Great. Thank you.

>> So these were the different funding options.

[3:12:36 PM]

Option 1 included one childcare navigator was the one fte and then has a total of 235,758. And option 2 has an additional 1.5 ftes with a total of 350,000. And option 3 is two additional ftes with a total of 500,000. And through this memo it also illustrates that a lot any funding amount is definitely appreciated, funding at the 500,000 still isn't meeting the complete need of the families on the waiting list. There are about a thousand families on the waiting list. As councilmember Garza was saying, this is to close the gap of the federal rules that doesn't allow the families to get quality childcare continuous

funding. If they complete a training and seeking employment or if they lose their job and seeking employment. So this is allowing the children to remain in quality childcare through those times and then helping those families get to self-sufficiency during that time, so you don't have children in and out of childcare. And really the ultimate goal of that too is making sure the children are kindergarten ready.

>> Mayor Adler: Okay. Thank you. Any further questions on this item? Yes, Ms. Pool?

>> Pool: I was looking at the average number of children served per day, the table 4. Is that -- those numbers there, options 1, 2 and 3, track with the options in table 3, is that right? It's the same options?

>> Right, that's correct.

>> Pool: Great, thank you.

>> It's just averaging out the children per day.

>> Pool: And how many do we serve now?

>> That will be in -- if you look in table 1, that tells you the total children served, and it provides you different years to be able to see the different -- the funding amounts.

[3:14:44 PM]

So you can see that the total of kind of 500,000 would be about 300 families they'd be able to serve.

>> Pool: Did we have a recommendation from the early childhood commission?

>> Yes. The early childhood council is recommending to be fully funded at 531,000.

>> Pool: Is that an equal match with Travis county?

>> That I'll need to double-check to be sure, but I believe it's in this memo as well.

>> It's our understanding that it is a match with what the county is doing as well.

>> Pool: Do we know what they've put in their budget? I know they're working on their budget too.

>> Our understanding is that the goal is to try to make it a match. So what the city council does they'll match that, but of course they're in budget process now.

>> Pool: So they do have the ability to match dollar per dollar if we do --

>> That's the understanding we have from them.

>> Pool: Okay. This is important. This is an important service.

>> It is.

>> Mayor Adler: Okay. The other one I had flagged in your absence, mayor pro tem, was the next one, 1.06. I don't know if that came from -- this was here because it was in the ifc, but that might predate the subsequent work that you had done.

>> Tovo: So I think we have a few paths to consider in this budget process for the provision of restroom facilities in the downtown area. As probably everybody remembers we passed a resolution asking staff to go forward and secure some mobile options. However, there's not money in the budget to do that.

[3:16:44 PM]

There's not money in the manager's proposed budget to do that. We also asked for discussions to move forward in -- in securing a permanent, probably something along the lines of the Portland loo, more permanent restroom facilities. There's this item and then there's also 1.14, which is to purchase one permanent facility. And hank staff -- I will need to ask staff -- the numbers have moved a little bit on this 1.06 item and I believe that now -- I believe that this amount is basically for port-a-potties. Is that right, Ms. Hayden. We had looked at other models and staff came forward and recommended some mobile options -- some mobile -- temporary options that were a little fancier. One of the reasons that that was appealing is that, you know, there are some businesses downtown that I think have rightly said they want the facilities that we offer to look respectable and so we tried to look at some options that were --

that were a little nicer looking, but I think now we're -- what with the lack of funds, now we're looking at the cheapest options. Is that right, Ms. Hayden?

>> Yes. Stephanie Hayden, deputy director, health and human services. You are correct because in light of the fact that it is a pilot and ultimately the goal is to determine the utilization and determine if this is going to be the best place for a permanent toilet, then we went with this route to use the port-a-potties instead of the mobile pit stop. Thanks. I think that makes sense to test the location. I also think that given that we passed a resolution that was for significantly more money. In fact, I believe -- I don't have all the figures right in front of me now, but I believe it was basically the amount of 1.14 and the amount of 1.06 and that was supported by a majority of the council, I would ask the council to consider helping identify funds that would support both of those initiatives so we could move forward, get some portable toilets downtown immediately, but move forward and have within this budget cycle the funds we need to get that permanent location, which by the time six months have unfolded we'll have a sense of where that should go.

[3:19:18 PM]

This is I think an extremely significant need in our downtown area for visitors, for austinites who go downtown and for the many, many people who are right now relieving themselves on the street because they don't have any other options. So that's going to be my proposal that we do these two things. I appreciate the staff -- I know you've done a lot of research on this and a lot of back and forth with many people about the expenses and costs and really worked hard to find the lowest cost possible for that 1.06 option. So thanks very much, Ms. Hayden.

>> You're welcome. Thank you.

>> Houston: Mayor, would it be possible -- there's some port-a-potty distributors -- is there a possibility that we could look at a public-private partnership and see if they would loan us some? They have some very attractive ones with sinks and some things right here in Austin. Do you think we could do a public-private partnership on a trial basis and see if we could find one that is appropriate and the placement where that could be? Because I've got several in the district but I don't know if you are interested in talking about it. Maybe they could donate a couple on a trial basis?

>> Currently the city of Austin does have a contract, a master agreement with an entity that does all of our port-a-potties. So we were going to just work through that contract just to move the process a little faster because the second resolution did ask us to expedite the process. But, you know, we can also look into those conversations as well.

>> Houston: I think those conversations are always helpful because this is their city too. And if they can allow us to use for this purpose the pilot to see, then they may have a better option than some other places outside of the city.

[3:21:20 PM]

>> Okay.

>> Houston: It's worth a conversation.

>> Gallo: So help me understand, because I know we started on this conversation that the users of this -- these facilities would be tourists or homeless or -- help me understand kind of the market? The market users for this.

>> Houston: Ma mayor pro tem, let me say very quickly, it would be people like me when I walk up to the convention center or over to -- there's no place for me to go to the bathroom. So it's all kinds of people who would be using the facilities. It's not just tourists.

>> Gallo: But it could be torts.

>> Houston: Of course, anybody downtown.

>> Gallo: I guess the conversation we started is a couple of partnerships -- instead of the city funding everything. As we're looking at the hotel occupancy tax that if it's something that would be available for tourists that are perhaps not staying close by where they could run to their hotel room, that certainly might be a resource for this, but I think too the downtown Austin alliance is they have funding because of their taxing ability, this would be a feature that would be of benefit to downtown. And I know you have addressed with them they do not have money in this year's budget, but I would hope they would be supportive enough of this program as a benefit to something that's downtown that they would be willing to put that in their budget for next year or their next budget cycle. I'm not sure how that runs, but I would never give up asking them that question because it does seem like it's a benefit to the downtown area, specific to the downtown area and I think that's what the business owners pay that tax for is to produce funds that help provide services. So just not in their budget this year doesn't say to me that we shouldn't expect or ask that they participate in this cost. I think they would be a really good partner if not the person, the entity to run this.

[3:23:28 PM]

>> Tovo: So I'm happy to have that conversation or to invite my colleagues to. I think they do with the money they collect, they do quite a bit of work downtown, including hiring rangers and others who clean the streets and do a variety of other things that the city generally benefits from as well. So I'm not sure whether this would be an expense that they're able to take on. I certainly couldn't speak to that. And I know that they are contributing financially to the homelessness outreach street team last year. We do have -- they are making contributions above and beyond kind of what our existing agreement has been with them. But I would certainly use this as an opportunity to invite any private partners out there that want to participate in this. I think we would certainly benefit from having public restrooms available downtown. And councilmember Houston, I think you've said it best. I think the people who will use these are anybody who has need of a restroom, and that's pretty much all of us. So I would say I have explored with our city legal staff the opportunity to -- the potential opportunity to fund a public restroom through hotel-motel tax. I think that in addition to other possible items to be funded through the hotel-motel tax should be something we take up in executive session, but I believe it fits close enough -- if we have a location close enough to the convention center it will serve those tourists. But that's a conversation we should probably have with our legal staff. But again, I guess I would welcome thoughts on this, but I hope it will be a high priority to fund both of those items together. I think we need both. We both need the -- we need the facilities on the streets right away to be able to move around and test locations and we need -- we need to move forward having one more permanent facility as our peer cities have or our neighboring cities in San Antonio and galveston and other places in the state of Texas that now have public restroom facilities in their downtown area.

[3:25:36 PM]

>> Mayor Adler: Okay. Next item to discuss here, I think we're to --

>> Tovo: If it's acceptable, mayor, to back up, I had a question about the affordable housing trust fund. I've lost it in the mass of pages, but it's in the section, I think. Hs 1. O 2. That would be the delta between what our resolutions have directed be rolled into the housing trust fund and what we have in this proposed budget. In looking through the answer to the affordable housing trust fund, what it's going to be spent on, I saw that there are multiple -- multiple staff positions, four staff positions, and this is in 175, budget question 175, return that information. And I wanted to ask our housing staff about that. It was really my hope that we could use our housing trust fund to do a variety of things, creating housing

opportunities, and of course having staff is one way we do that, but I really -- I would rather see staff in our operating budget and not come out of the housing trust fund that I would hope would produce new housing opportunities. Can you talk to us a little bit about whether that's a continued practice and whether there are any opportunities to shift those back into the operating budget?

>> Certainly. Rebecka Bah Giallo, director of neighbor housing and community office. Certainly understood. I appreciate the comments. I do recognize that with adding full-time equivalents to the housing trust fund that's an analyzed cost. And you know from a transparent perspective it's to fund those out of the housing trust fund once we do so. That said, we currently have two financial consultants being funded out of the housing trust fund and a planner senior.

[3:27:43 PM]

That position specifically focuses on a lot of the planning work related to density bonus developments. We are proposing one additional fte to be funded out of the housing trust fund that we believe is a real critical position to feel -- to fill a service void that is currently in the department and I wanted to expound on the tasks and duties, the function that that position would focus on if that's the detail that you would like.

>> Tovo: It is, but I need a little bit more detail about those first two positions. One is a consultant. Is that currently funded out of the affordable housing trust fund?

>> Correct. There are two financial consultants funded out of the housing trust fund currently.

>> Tovo: Those are existing ftes?

>> Yes, ma'am. And one planner senior. Currently funded.

>> Tovo: Why is that not yet in development services if they're working on -- I don't understand I guess what they're working on, but you mentioned density bonuses which are typically tied to development projects, so I would expect to see that over in development services.

>> Sure. So many of the councilmembers have actually worked directly with Jesse Cook. I don't mean to specify exact names attached to an fte, but times it's pretty helpful. This particular position a planner senior. It's currently -- she has worked on a number of resolutions that the housing committee and council as a whole puts forward at a policy level. Also to include a number of the density bonus development projects, also serving on the core team of the codenext as it relates to affordable housing as well as working to coordinate smart housing. Also on homestead preservation districts and a number of other resolutions.

[3:29:43 PM]

What we have found is that we need an additional planner senior to address the capacity of that work. So an additional planner senior specifically with the focus for smart housing administration is being proposed.

>> Tovo: Okay. So this would be -- those would be two senior planners and two financial consultants being funded out of the affordable housing trust fund.

>> That's correct.

>> Tovo: I would like to have more discussion on whether those planners could move over to development services even if they primarily work out of housing. There does seem to be a crossover there.

>> I think that the synergy in the work with the planning and zoning department certainly development services department and our department, all three of the departments are very much aligned in the work that those senior planners do.

>> Tovo: Thank you very much. I appreciate that explanation. Are there other commitments for the affordable housing trust fund?

>> The affordable housing trust fund still has gap financing for ip projects. As you said it was envisioned for inception to fill the gap often times on smaller -- on smaller application funding requests and so it does still facilitate that purpose. And also facilitates purposes for community development. We recognize also that we will be applying funding specific to homestead preservation program requirements, so as a reminder the department is still operating from the programmatic objective that 40% of the fund will be programmed in alliance with the regular programming requirements, 40% would be dedicated to the homestead preservation fund and 20% would be programmed to high opportunity areas.

[3:31:53 PM]

That is still obviously an objective of the department with the funding that is in there. Referred to and that 10,005 play that is for planned unit activities I guess I would file a follow-up question. I would be interested in knowing what those programs look like specifically. But I guess --

>> This is our homeless need special service contract for a little over 8,000 that totals \$10,000 and the rest is dedicated to the housing programs.

>> Tovo: Thank you. You know, I've really just personally benefited so much from the work that our senior planner did this year. I know she's vacated that position, but I think she did tremendous work on the density bonus report and I look forward to us taking on some of those recommendations. I have a resolution coming forward later this month that will build on some of the recommendations that came out of that report. But I believe that we are facing such priority needs that I will have to think carefully about those two -- about funding those two senior planner positions this year right now out of the housing trust fund just knowing some of the other needs that we have throughout the city.

>> Understood.

>> Tovo: Within the housing arena.

>> Absolutely. We're absolutely fine with those positions being funded out of the general fund. We simply recognize that with minimum impact to the general fund, the need is still there. And I will emphasize the coordination for smart housing is a critical need. I would be remiss not to highlight that in height of all of the work that -- light of all of the work that needs to be done among a number of departments. We have started that work and there is a talent void there and we absolutely require a dedicated full-time presence on smart housing particularly as we are seeing the number of community land trusts conversations coming out of our development assistance division.

[3:34:10 PM]

So I completely appreciate that and we would welcome a conversation to see that coming out of the operational budget as well.

>> Tovo: We'd have to identify funds. I see Mr. Van eenoo looking at me. I'm aware of that and haven't identified them yet, but I think it would be structurally better. I would rather not see ftes in this particular fund. Thanks.

>> Mayor Adler: Ms. Houston?

>> Houston: On page 12 of 47, I think hs 1-12 regarding the graffiti abatement crew, where are these -- where are the current ftes housed now? And where will these be added?

>> Currently they're within our repeat abatement program within our youth program. In terms of where we will be housed --

>> You will just add some additional ones there?

>> Yes.

>> Houston: So tell me about the municipal court. They have a graffiti abatement program so that you don't have to serve time. Does the drug court have one? Drug court have one? And how are we coordinating that abatement with those other outside entities?

>> This speaks particularly to whatever doing with the graffiti abatement as well as the lawn services. And Donna might be able to speak to the municipal court services as well.

>> Donna Sundstrom again. And as far as municipal court, they don't have -- from what I understand they don't have an ongoing graffiti abatement. We do coordinate with them on when they do have ability to take some of our service requests. We do coordinate and align those efforts whenever they do have availability that they can take that on. So we coordinate with those efforts. But from what I understand they don't have an ongoing effort. We are through the council resolution for graffiti abatement task force to be developed and recommendations to come forward to the council.

[3:36:17 PM]

We are including them at that -- within that task force to bring them to the table as well to see if we can get something more ongoing on their part. But right now we do align it with whenever they're able to take the service request then we definitely work with them.

>> Houston: I see someone from the municipal court here. Can you come and speak to us about how that works?

>> So like she just said, we.

>> I am Peter Valdez, the court administrator for community court. We do take the work orders and do assist when we can. One of the issues is that we can only do paint over graffiti and the graffiti program with health and human services uses chemicals as well to remove some graffiti. And because we use probationers that aren't trained in that sort of removal, we can only use paint.

>> So how often do you get work orders for just the paintovers?

>> We used to get them pretty often. I know that there's been a decrease in those requests, but I don't have the exact number for you right now.

>> Houston: Could you give us some history on that? Because as we're looking for things for folks do do that seems like something. I can understand not having the chemicals. That would be a proceed prohibition. I would like to see us partner with other entities and agencies who are able to help us do this abatement rather than adding -- how much is this total? 129,000 plus 70,000 in one-time funds. Because that helps you, that helps us so I would like to see what the history has been and if maybe we can make that work better with just doing painting the next time.

[3:38:17 PM]

And increase your opportunities for the people that you're serving.

>> Sure. We're certainly open to helping where we can.

>> Houston: Okay. Thank you. Thank you for being here all day.

>> Pool: And I can provide a little bit of background on that. The intention on thing resolution that we passed maybe two meetings ago is in order to determine what the best practices are around the country so that we can handle the abatement issue better, my staff did provide a white paper on investing in graffiti abatement efforts that we passed out briefly, and we have -- it says here last year the graffiti abatement team in ayd, that's the Austin youth department, received more than 5,000 requests to remove graffiti vandalism. And then we have a chart at the bottom, a table that shows how many requests came in. It was 5,285. And that was from our open data portal and breaks down into the distribution. And district 1 had about 678 requests. Trustee had over a thousand.



-- District 3 had over a thousand. It's a quality of life issue and those parts of the city where the tagging and the gang related spraying has stepped up is really what we're going after. If that's helpful.

>> Houston: Councilmember pool, I'm not questioning. I'm asking if we can partner with some of the external partners to do a better job of covering the city. That's all I'm asking.

>> Pool: And that's great. I appreciate that. I'd love to know if we could do that. And that was part of the resolution too was to find out what the best practices are and how we can step up our efforts and do a better job.

>> Exactly.

[3:40:17 PM]

And that's what we hope to bring out of that as well.

>> A couple of things I would like to advocate is it's really part of the youth development program and one of the challenges we have particularly with the program is the fact that we don't -- because of the demand we don't really have a lot of the time that we need for the youth development process. So one of the we're running into is trying to reach that balance between making sure that we cover the community, but at the same time make sure the youth are given other career opportunities, counseling and support services. There in line is part of the challenge that we have with increasing demand and still meeting the goals of the program. >>

>> Pool: I'm hopeful that we will be able to address that as well because we need to target a seeking employment segment of the population at that critical time and really make a difference in their lives.

>> Houston: Mayor, I have one more question. Mayor, on page 10 of 47 starting with hs 1-04 starting with a through E, can you tell me what that totals up to? What is the total amount being requested in one-time funds and general funds?

>> 1,917,000.

>> Houston: Thank you.

[3:42:20 PM]

>> One last question. I have so much paper. I mean, it's better for me to have it this way than on my little phone like the mayor is trying to do.

[Laughter]. He's over there squished up. Hs 1-10, affordable care enrollment. How many providers do we have now enrolling people in the affordable care act?

>> Kimberly Maddox, assistant director. We currently have two contracts with that funding last year, community forum and foundations community.

>> Houston: So I've worked -- I works doesn't participate anymore?

>> We have some of it.

>> Houston: They're just housed there. So these are the two that we're going to --

>> Those are the two contracts we currently have in '16.

>> Houston: Aren't we about to kind of phase out of that? How many more years do we think we'll need navigators?

>> Must not in '16 was one-time funds. As again this is showing as one-time funds. It's just been year to year depending on if council authorizes the funding or not.

>> Houston: Thank you.

>> Mayor Adler: Okay. We're still on health and human services. Health and human services items .07 and .08, the aid items. I would let my colleagues on the council now that I am interested in those two items. Further discussion on health and human services items? Mayor pro tem? I saw your hand but I'm trying to parcel this out.

>> Tovo: I put those on the concept menu and they're very high priorities for me.

[3:44:22 PM]

And I think it gets back to the discussion we had earlier where councilmember Renteria talked about the real funding challenges that our schools have. And mayor you talked about the tax [indiscernible] And I believe this is a way that we can assist in coming in and picking up some of the costs that are really more city responsibilities than educational ones. So I'm very supportive in making those a high priority.

>> Mayor Adler: Ms. Houston?

>> Houston: Just for information sake. Besides these two very important programs, and victory tutorial is here down here. Can we have some information about how much the city of Austin gives to aid to support their programming?

>> Are you talking about all of the funding that -- that health and human services provides today?

>> Houston: Well, and the city. Where did -- where did Mr. Lumbreras go. I'm talking about all city from parks, from wherever. How much goes to help support the education in aid.

>> Councilmember, we do have that information. We can update it fairly quickly. Generally we'll generate that through the budget because we have it not only in parks and health and human services, but we have it in a variety of areas. And I do recall that this was asked last year so we can certainly go in and update and get you that latest information.

>> Mayor Adler: Yes, Mr. Renteria. Can't hear you.

>> Renteria: I'm sorry, on item 109.

>> Mayor Adler: Yes.

>> Renteria: I'm just wondering, I know that we have -- I believe that we have done some studies there on -- in montopolis, but on this one you also included -- it's included in del valle and I know it came from the quality of life.

[3:46:36 PM]

I was wondering have y'all done studies in montopolis? I know we have a brand new neighborhood, a rec center with a neighborhood health center attached to it. We have a clinic over there. Do you -- as a person that's going to administer the program if we do fund it, this came through the Latino quality of life and I was just wondering, it's \$150,000. I just wondered have y'all done any studies before in that area, the health assessment?

>> Councilmember, yes, we have done citywide and county wide assessments. Specifically montopolis ourselves we have not gone in and looked just at montopolis. This will help us to do an assessment of that community as well. So specifically with the question of montopolis, no --

>> Renteria: How about del valle? Is that going to be -- part of it is outside the city, I believe and some inside. Are you just going to be looking at the city portion of del valle, the city limits?

>> Part of our efforts when we do a community we do both city and adjacent area, which are in the etj, which in this case would be. So it would incorporate both del valle and that part within the city of Austin.

>> Renteria: Okay. Thank you.

>> Particularly that you mention it, montopolis area outside of the city of Austin area an area just northeast of 183, zip code 78742, is a very significant underserved area and often times left out, so we incorporated that into the assessment.

>> Renteria: I was just wondering because we have done a lot of, you know, not only from the clinic there and doing the health center, but I thought maybe del valle I know that that's probably one -- and

that 42 area has been neglected and I was just wondering if more emphasis could be done in that little 742 zip code.

[3:48:37 PM]

And I was just wondering if we had already done where we've done previous studies in Montopolis and I just wanted to find out.

>> 78742 has some of our highest morbidity in the community. So yes, that was definitely one of them.

>> Renteria: Thank you.

>> Garza: Mayor? I just wanted to point out page 12 of 47, it's hs 1.13. I believe that staff has not been able to identify a grant available to fund that, so I pass the out a revised concept item. I don't know if we're allowed to do that actually, but it is going to cost -- there is going to be a cost to it so that's what I passed out.

>> Mayor Adler: And what was the cost?

>> Garza: 95,500. I wanted to point out this was a part of the ifc about food access that we passed and then there was a working group that came together to give some recommendations and there were a variety of great recommendations that also included three ftes. So this is an attempt at understanding the budget constraints we have and a compromise on -- it's kind of a meld. We're okaying on language for the -- working on the language for the job description, but a meld of the three ftes that were recommended, meld them into one fte. And basically it's to have one person who is committed to trying to solve our food desert, food access issue, looking for what kind of incentives the city can offer, what kind of grant funding we could get. Just somebody that is responsible for that. I've thought about trying to fund some part-time person in my office to try to dig into that policy issue, but don't have the funding in my office right now unfortunately.

[3:50:38 PM]

So obviously we need to find the money and I proposed earlier some cuts to new ftes and hopefully we can find the money. I wanted to give everybody a head's up on that change.

>> Mayor Adler: How do you rate the priority of that relative to 1.16?

>> Garza: I would think we could -- I would think we could put those two together, frankly. There were recommendations -- actually, that might include -- I'd have to look. I'd have to dig into that because it was the same ifc. So there might be --

>> Mayor Adler: That's why I'm interested in this one too. And I identified both the 1.13 and the 1.16. And that was my question, both in terms of what the funding needs to be for both of those, but as an overlap whether those can be contained within each other. Whether or not -- we initiated that last time, when we did it last year we were starting something new, so if there's assessment that's associated with that, if there's assessment or results or anything we could look at with respect to that work, I think that would be really helpful. And I think there might actually be some foundation help with this one. It could be mixed into that pool. So if we could work together on that as well as get staff to tell us whether there's assessment or results from that, then we can look at that.

>> Garza: I think 1.16 did not include a staff impact, but I'm wondering if in addition to the suggestions you've made to see how we can scale that to basically bring those two together and see if we can -- where we can save money on this request.

>> Mayor Adler: Okay.

>> Yes. On a synergistic approach we would look at that.

[3:52:39 PM]

>> Mayor Adler: Take a look at that and see what we can do. Okay. Anything else here on health and human services that people want to elevate?

>> Mayor, if I may, we've sent out to you all a copy of the letter that I think everyone had. We've misspoke so I want to highlight a point. Could we go back to the resolution on the childcare? We indicated that the county actually had included in their budget 500,000. We misspoke. Actually, they are currently funding it at 235,000, and their intention is to ask for 235 again this year. So it's not 500,000, it's 235,000. So I want to correct that.

>> Mayor Adler: I've elected the option 1 as contained on that table.

>> Yes.

>> Mayor Adler: Okay.

>> Pool: So we're able to adjust that number then?

-- Should we adjust the number?

>> Mayor Adler: I think we saw the range. That would make the most sense to me.

[Laughter] Mayor pro tem?

>> Tovo: That prompted a question from me about the aid funding. Do you know whether the county or could we find out whether the county has included any money in their proposed budget for either the parent-teacher support specialist or for the after school funding? I know that was a discussion we had at the joint subcommittee and that would also change our amount on this budget.

>> We will certainly get an answer to your question.

>> Tovo: I appreciate that. Thanks.

>> Mayor Adler: Suggest to them this is a really good project that's worthy of their support.

[Laughter].

>> Certainly will.

>> Tovo: We've supported it in the past.

>> Mayor Adler: I know.

>> I believe they did support the parent-teacher support specialist in previous years.

>> Houston: 69,000, I think, somewhere \$60,000 I think.

>> Mayor Adler: Okay.

>> Houston: We encouraged them to increase that this time.

>> Mayor Adler: Good job.

[3:54:40 PM]

>> Tovo: By 100,000.

>> Mayor Adler: Better job. All right. Anything else in health and human services before we move past that? Okay. That gets us to parks.

>> Gallo: Mayor, could I ask a question? Obviously we have more on this list and we're going to be able to -- than we're going to be able to fund, I think. And it's really helpful to hear the conversation of what's important to different councilmembers and kind of where their priorities are, but I'm wondering if there is a way to get that formatted so that if I wanted to see kind of what councilmember Houston's priority list was and what was the top couple of items, it would be easy to do. I mean, we're having that in the conversation here, but I don't feel like I've got an ability to see that easily. And I think that's important because we're going to have to make tough choices and I want to make sure that when we're looking or at least when I'm supporting things that are important to other councilmembers, I do that in an equitable way so that I -- I'm able to help support things that are important to each councilmember and not -- and I don't feel like I have a grasp of where we are on that.

>> Mayor Adler: So a lot of people can approach it a lot of different ways. That's what I'll be doing leaving this is kind of listening to kind of where the consensus was or where interest was expressed. So I know I'll be making that kind of chart. I can certainly post that. I think there are other councilmembers that are doing the same thing and maybe some of us will do it together with one another.

>> Gallo: Would it be possible for each councilmember to do that so that I'm not having to second-guess? I know Kathie's priority are these items. And not to say that all of them aren't important, but if you had to say this is what's most important to me, I'd know what that is versus having to remember what was said as we go over all the different ones.

>> Mayor Adler: Certainly people could do that. I'm looking at the budget approach a little differently than you are. I'm not looking necessarily to -- and you don't need to say this in terms of to equalize by person.

[3:56:45 PM]

Certainly knowing what is important to people is the purpose of this conversation.

>> Gallo: I didn't say equalize. What I said is it's important for me to be able to understand as we talk about this being a process that includes all of us what's important and what the priorities are to the different councilmembers and it may be a priority that's 500,000. I'm having a hard time trying to capture all that information in this conversation that's over many, many days and jumping around. So it would -- if there's other interest on the council to help other councilmembers understand where each person's priorities are, and we have different interests and we have different parts of the community that we're more connected to. So I think it would be helpful to know that.

>> Mayor Adler: And certainly anyone can do that.

>> Gallo: Thank you.

>> Mayor Adler: Okay. Continuing on. That gets us then to I think parks.

>> Mayor Adler: so -- and then -- I had heard that just in terms of looking at kind of parts of it, again, lots really good things to do, many of which I recognize and know people that are involved on this list. I had heard from some of the parks advocates at the top of my priority list would be doing the master planning for parks citywide because that might drive some of the other decision that's were made. First, is that true? Second, would you discuss that issue.

[3:58:47 PM]

>> Sara Hensley, director of parks and recreation. Yes, I think some of the parks and recreation board members, as well as the great Austin parks group had been working with us extensively in several areas and one of the things we put on our unmet needs list is to be able to update our long-range plan. In that, though, it looks at everything from historic resources to our current trails and conditions, to our facilities, and the answer to your question is, yes, this is priority for the department. It's also -- will address some of the issues in here as to what overall, when you get down to it, what are the top priorities based on community needs across the city? And then how -- some suggestions as to how we would move forward in achieving those items. It's a hefty price tag, but we did get commitment in the parks foundation to put in some additional funds depending on what we were able to get. It won't answer everything, of course, that was on this list but it will give us a road map for the future. As a director I think that's a priority for us because every year there are so many needs and not enough money, and we have aging infrastructure, we have other things, and there's no way to sustain that. Is and having a comprehensive updated long-range plan that looks at everything like that but involves the community and then looks at how we prioritize those is to me the best way then to ensure that not only as a staff but when we recommend our items to budget and then, obviously, council making decisions,

they have that road map to go from. And so the answer is absolutely. It is important, and I think it will address some of the issues that keep popping up.

>> Mayor Adler: What was the price tag for that?

>> The price tag is around \$950,000. It's huge. Because it takes on every single aspect of our department.

[4:00:50 PM]

It looks at pools. It takes what we have at pools but it takes it even further, into public engagement. It looks at trails, facilities, it looks at programs, and then it looks at where we are currently, and it looks at where we need to be in the future, and then it looks at community needs and priorities and then how to prioritize those. It will take our Americans with disabilities study that we're finishing up, it will take our strategic plan that we're finishing up, it will take our old long-range plan and our cemetery plan we have, take those and look at then conditions, assessments and how to move forward and how to prioritize based on public engagement. And for us that will help us then as items keep popping up. For example, we know that we need a swimming pool in the colony park area, as a director who is looking at having too many pools in some areas, this is an area of high need, where they have no aquatics facility. And it is priority for us and will be and hopefully another bond program. I know there are other things out there that we are getting constantly asked for, another recreation center in southwest, how about another trail over here or how about another pool over here? This will help get a holistic approach to the public's input and what should then be prioritized. We will have a road map and hopefully too the council will have one on when you're funding items and making decisions you have that holistic list in front of you and not let me go back and look at this and see which one it is. You'll have that.

>> Mayor Adler: I'm convinced. I'm convinced of the need for it. In conversations with some of the folks on the park foundation, they had told me or suggested to me that the cost to the city, because of their participation, and maybe the participation of the D.A.A., that the city's cost for that could be about \$400,000.

[4:02:52 PM]

Have you talked to them about that?

>> I have. And I've asked -- the haven't talked to D.A.A. But it but I have talked to the parks foundation who would be willing to chip in a couple thousand dollars. The cost to the city would be less if I could get the parks foundation to give me the 200-250 thousand, which I believe I can. That's why I think it continues to be a good investment.

>> Mayor Adler: So the birdie told me that --

>> Okay, good.

>> Mayor Adler: -- There was potentially a way to get it down to 400,000.

>> I'm good.

>> Mayor Adler: If you could visit with the parks foundation, also with D.A.

>> Okay.

>> Mayor Adler: And I'll whisper in your ear the name of the birdie that talked to me just to follow-up on that. Because 900 is a much bigger --

>> It's huge.

>> Mayor Adler: But if some of those folks would be willing to come in and play in a substantial way on this, then maybe it's something that we could do as part of this budget. So if you could do that within the next couple days that would be really helpful.

>> I have a meeting tomorrow with Austin parks foundation and I'll follow up with the downtown Austin alliance.

>> Mayor Adler: Thank you.

>> Thank you.

>> Pool: Mayor, if I could ask you and director Hensley to keep me posted so I can lend my support.

>> Absolutely. Thank you.

>> Mayor Adler: Mr. Renteria.

>> Renteria: On the -- I have a -- on the concept menu for \$50,000 at parks 1.01, it's been so long, you had mentioned when you were having the discussion with the mayor that you were going to be do a master study. Is that -- are you -- is this going to be included? I would hate to put another 50,000 if you're already going to be look at it, but I would like to leave it here if you have no intention of. . .

>> This 50,000 is a feasibility study which does direct public engagement about the future of John Travino park at Morrison ranch.

[4:05:00 PM]

They would look at the master plans or feasibility studies but would not delve down into here's what you need to do at the park. So this is -- and I think one thing that might help is we will not obtain -- we own the land, but it's currently in a lease with the man that we bought -- purchased the land from. We will not obtain the actual ownership or -- well, we won't be able to get into the property, per se, until January of 2017. So if that helps --

>> Renteria: Thank you, yes, it does. It helps a lot.

>> So it may be that -- because I know there's just not a lot of money to go around. That we could do preliminary outreach from our staff and perhaps in the next budget then do the feasibility study as to what -- because it takes quite a while to get good feedback from the public and we want to be very inclusive and so I might suggest that we do some preliminary public engagement. We are going to do the kicking off of the sign and perhaps in the next budget put in for the feasibility study.

>> Renteria: Okay. Thank you.

>> Houston: Mayor.

>> Mayor Adler: Ms. Houston.

>> Houston: I just want to assure councilmember Renteria that the sign is going up. I drive by there periodically, and it's -- they've got the bricks are out there and they're putting the concrete up and the gate is still locked. Unless you need to go out there, they have a key to let you in.

>> We'll let you no. We've been in touch with former mayor Travino and keeping him engaged and he's pick being his date for his sign unveiling.

>> Renteria: Thank you.

>> Mayor Adler: Okay. Yes. Mayor pro tem.

>> Tovo: I have a different question. Later in the pk1.10, is the overnight security for o'henry and Susanna Dickinson I had thought and wanted to propose that it be an expense that we fund out of the tourism and promotion fund, funded by hot tax, and I see that that's in the additional information and I was -- I guess I wondered that in the additional information because that was my proposal or is that staff's acknowledgment that is an appropriate funding source for that item.

[4:07:18 PM]

>> I think it's because it was your proposal so I think we'd have to look into it.

>> Tovo: Sure.

>> Whether it was eligible.

>> Tovo: Good. Maybe we can add that to the list of the couple -- kind of short list of things that I think are eligible. And I would also ask -- I'm going to also propose that 1.03 be looked at in the same regard. This is to -- this is the position related to the historic park features, historic resources and since heritage tourism is an allowable expense under the hotel-motel tax I think that is also something we should consider taking out of our tourism and promotion fund which we've now got a little funding to consider because of the decision we made regarding the Austin convention and visitors' bureau contract. That's all I wanted to say about that. I wanted to flag those particular items as possible funding. Possible funding. For that possible funding source.

>> Houston: Mayor.

>> Mayor Adler: Yes, Ms. Houston.

>> Houston: I'd like somebody to just explain pk1.04. About the budget shortinstall we need to make up to the tune of \$336,000.

>> This was a request from the umlaf gardens for additional funding. I will be completely frank that say that my response back was that I did not receive it in time to put it into our unmet needs because it came the day I was presenting our budget. While I -- we have a wonderful partnership with them, and that is the future for us, is to create these kinds of partnerships, where it's not all on the city's dollar. I will say that I think, as we worked with them, I came before not this body, but the previous council, to ask for an additional amount of funding to give them some more money for the operation of the gardens.

[4:09:30 PM]

At that time it was sufficient, and in return we, as a city and you -- the council body approved a 50-year agreement with a renewable 50-year term, and that was for allowing them to raise funds so they could operate and maintain the gardens. So next year we will be working with them in the budget process to get these things in earlier so that I can be the one that puts it on the list. But we are sitting down with them and having discussions in regards to capital items, which are not in here. I separated those out because we are responsible for the property itself. We continue to own it. And I want to help them obviously when it comes to their operational costs. However, the whole idea of entering into the partnership was so that the majority of the burden of operating and maintaining this facility would not fall on the department or the general fund. So I'd like to work closer with Nina, who I respect and love and see if we can't come up with some other options to help them get the funding they need and then I will work with her for the next fiscal year to try to help them look at their needs from an operational standpoint, and then I have a commitment and Marty stump has committed we will look at their capital improvement needs and try to make some of those improvements that are -- they're in dire need. But that's where it came from, and it was late getting to me and so I -- we met and staff have met, but it's -- I haven't been able to thoroughly vet it and I'm not really comfortable quite frankly to say it's absolutely needed at this time, all of that and what it involves.

>> Houston: Do any of the supports or the people who put this on the concept menu, do they have any more information that would help me figure out whether this is something I can support or not

[4:11:30 PM]

>> Mayor Adler: I don't have any further information. I'd be interested in Sarah's look at this as well. Anything else in parks people want to elevate?

>> Pool: I would ask on this and others, specifically on umlaf if we either pair it back or don't provide the funding what happens in the ensuing years?



>> I think one of the things we can do and that's why I'm going to try to sit down with staff and Nina, if it is an issue of maintenance, where we can step in and help until we can figure out how to solve the issues. You know, we've done that before, and we -- we'll continue to do it. We want them to be successful. They're a wonderful organization and do great things, and so I just need to figure out a way, how do we make this work so I'm committed to doing that and committed to looking at other ways to fund it. We also have as you know money -- I've worked with the parks foundation in helping fund some things there. I'll continue to do that. I want to make sure I thoroughly vet it because some of the things they were asking for quite frankly is really are things they should be raising the funds for.

>> Pool: I also wanted to tag on to what -- you're describing umlaf, they provide educational for students around the town and literally around the city in the school districts it's pretty extensive programming they do. I don't know how much of this would be in support of this but as far as when you say umlaf do great programming --

>> They do great things. It's a wonderful place and they have been a wonderful partner that's why I want to delve a little deeper since I didn't get a chance and see what we can help do and separate out what I know we can help them with and look at other options for the other things. I know there's a better way to figure it out.

>> Pool: Keep me posted on this one too.

>> I will.

>> Mayor Adler: Ms. Gallo.

>> Gallo: While staff is here -- thank you for being here -- maybe you could talk a little bit about the item number item 1.08, phase one for the district park.

[4:13:43 PM]

My understanding is the master plan is almost complete.

>> That's exciting.

>> Gallo: It has been long and I know everyone is really excited about that but this funding would actually be combined with some additional funding that you had to begin to implement the first stage, and I know that there has been a lot of -- this is also a camping facility so there's been a lot of pressure on the park and there's some items that really are safety items that I think need to be addressed so maybe you can --

>> That's exactly what it is. This money would address the phase one, which is more about site access and safety. This is a park that has been like many overall loved -- overly loved and it is a place where everyone has the opportunity to camp, reasonable fees, water access, hiking, biking, about unfortunately, the infrastructure once again, one of our many parks, suffers extensively from being completely overused. This would help us, with like I said, site safety, access, and utility infrastructure that's desperately needed. We have looked at some grants. Continuously are writing grants for Texas parks and wildlife funding. The other thing we quite frankly are looking at, although hearing from the public a little differently through the master plan is this may be a perfect opportunity to partner with an entity for a camping operation. We're not responsible for doing that, someone else is. We're look at all of those things. It's just a matter of someone else wanting to come in and pay that kind of money and put in the infrastructure that they don't own and that is the biggest issue. So that's exactly what it would do, help us with wastewater and electrical, some of the infrastructure issues, addressing access. As you might know we've had problems with the road and some other things. It's not the most appealing way to get in there and the road is not in very good shape. But it is a well-used park so that's when the money would go for, phase one. It would be a limited amount of phase one, but it would get

>> Pool:someplace.

[4:15:45 PM]

>> Gallo: And I think the safety component of it from the standpoint of campers needs to be able to access utilities and I know a lot of the connections and things like that for the utilities are really almost to the unsafe stage now.

>> Yes, they are.

>> Gallo: So I think that's

[indiscernible] It's a safety risk I think from what we're doing. Also just to applaud the parks department because I think we're doing a different fee structure for the -- entrance fee, so the department is also looking at ways to raise the revenues to start addressing these. I do think the spending on this is really important from a safety standpoint. I think we've got some major safety issues.

>> There's about a million dollars in there that we use, and has happened. Nowadays most of the money we get through grants are through matching, but that helps us and this would additionally help us to continue that.

>> Gallo: Thank you.

>> Renteria: Mayor, I'm also supporting this. That's one of the --

[laughter] That's one of the parks that I love. I even have gone scuba diving down there. It's really a beautiful park but it's -- has got -- how do you say it? It's in pretty bad shape.

>> Pretty rough shape, yeah. I'm embarrassed, but yes.

>> Renteria: And the pool area is very -- it needs a lot of help.

>> It needs love.

>> Renteria: There's a whole lot to take care of that. I've been there and sometimes if you don't get up there early enough, you can't get in because it's so overcrowded.

>> It is. I mean, it's a good problem to have, but --

>> It's a problem.

>> It's a problem.

>> Houston: Mayor, I wasn't quite finished with 04.

>> Oh.

>> Houston: I understand from my colleague that they do a lot of things for low-income students.

>> Yes.

>> Houston: Can you give me some data on that? Not now, but when you come back to -- so that, you know, what schools? What zip codes? You know, how did we know that they do all this great work with low-income areas?

[4:17:52 PM]

Thanks.

>> We will. We can get that. They keep their -- they have those numbers is and they'll be happy to provide them.

>> Mayor Adler: Thank you. Anything else on parks? So let's go then -- thank you very much. Let's go to public safety. As we enter into public safety, I just share this thought with my colleagues on the council: I'm -- I think we can do public safety spending better than the way that we do it in this budget. It's a huge part of our budget, over 70% of the general fund. I feel like we get kind of one-off requests because something is important, we'll get a request for overtime pay, we'll get a request for extra protection that's needed, we'll get a request for -- all of which are really good and important things, but at some point I kind of lose track of the overall context of how this should work, and, you know, we want to phase in -- many of us want to phase in community policing over time. That makes sense to me and is something that I support and want to do but I don't know how you phase that in. I

don't know if -- how that relates to body cameras and phasing that in. So my hope is that after we go through this budget process here today, we can actually put into place something dish talked earlier about setting up a budget process that starts for us earlier, that we can be -- familiarize ourself with the budget as we go through it so we can be a better partner when it comes our turn to work on the budget. I would also like us to engage earlier in a public safety look kind of across the board to come up with as best we can a five-year horizon for public safety spending. And I don't know, you know, who would need to be part of that stakeholder panel or group or something that we could have -- take a look at that, but I think there are lots of community interests that feel real engaged and I think we should do something like that.

[4:20:02 PM]

That said, where we are here today, this morning, when I was going over I suggested something we take a look at is phasing in the EMS staffing, take a look at body camera. I don't know where that is in the budget, whether it's a capital expense or has any general fund implications but take a look at what the impact might be. I don't know if this is the second of a four-year phase-in or we're finishing it this year but just to take a look at whether there are options for the council associated with both items. I just mention that because I raised those two things earlier this morning, not knowing how I would be on any of the things I raised but suggesting that we actually had to start surfacing these things and talking about them. That said, further conversations on public safety.

>> Garza: Mayor?

>> Mayor Adler: Yes.

>> Garza: I guess I would be also interested in EMS thoughts on the phasing in possibly, making that two years instead of one year. And I'd also be interested to know -- I know that when this was initially proposed, I did hear some feedback that -- and whether it was right or wrong, I heard feedback that some people thought that's not gonna change anything, even if you reduce the workweek, it still -- you know, some issues. Then I also -- there was a news story recently talking about I guess the -- unfortunately the general, I want to say culture, but just concerns about the health of our paramedics and because of the workload that they deal with.

[4:22:03 PM]

So I have a question of -- your thoughts on extending the phasing in to maybe at, you know, not all done this year, that maybe this year and next year, and then also is there something else we can be doing as part of this to help fix some of the issues that you're dealing with?

>> Mayor, council, chief of EMS. Those are all excellent questions. I guess one of the things that I want to say is that this is a critical topic for us. This is an opportunity to show our people how much we appreciate them and how much we value them, how important they are. It also in the long run will help with recruitment and retention, which have been issues for EMS for quite a few years and I think that this will help us to address that. There's a lot of competition for good paramedics throughout the nation and they're getting harder and harder to attract and to keep. What we know is that communicative fatigue, the issue we're trying to resolve, we're actually looking at two paths, and that's what you're hearing in the mix of the conversation, those two topics. What we know of communicative fatigue, it destroys the quality of life the person will have. Disrupts the family life they're trying to have, also interferes with patient care because if you're tired you don't make good decisions. It also makes work for dangerous. So it's important that we find ways to tackle it. What we've learned through research that's been conducted is that there's a couple of things that matter. One of them is that we need to manage the daily fatigue faced by our medics. It's hard work. It's very mental work as well. So your brain

is on all the time. So that makes it a heavy job. Then when you add to that the different types of -- the natures of emergencies that we see, it's hard to handle as well.

[4:24:06 PM]

One of the most important things that we can do is give our medics sufficient time off in between the shifts. So that they can improve their sleep and their rest. Generally, when you get off of a shift it takes at least one day of sleep to get caught up with all of your energy, and so what the 42 hour workweek does, is it gives them 72 hours off in between their shifts so that they can get enough rest and sleep and that's how we're gonna tackle the fatigue issue. We're doing a lot of other things too. That's the shift and what we're talking about here and adding those people so we can convert the shifts is only that part, just the shift part. But we're doing a tremendous amount of work on the resilience side, which is more support services for them. We have two psychologists we're working with fire to bring a third psychologist on board. We also do treatments for PTSD that specialize in the type and nature of work that our medics do. We've implemented a peer team with 36 of our personnel that have been trained by our psychologists to provide immediate response to the things. So there's a lot of different factors. The other thing, too, is that this is gonna give us the ability to create a variety in our shifts. So because we have learned that one size doesn't fit all. So we have 24 hour shift that starts at 7:00 A.M., other 24 hour shifts that start at 8:00 P.M. And we'll have 12 hour shifts in there. So a good mix, a variety, so employees are better able to find what works best for them. And so it's that double -- that double approach that we're taking, one path being address resilience, the things that you need to recover from so that you can last longer, and also the fatigue management so that we keep the environment safe and keep our medics strong. A lot of safety things that we're doing as well.

[4:26:07 PM]

Now we've got hydraulic stretchers that help you lift patients. We have devices on our ambulance that's help you load stretchers onto the ambulances. We also have a fitness program that we've implemented and now once a year all our personnel goes to see a doctor. Which seems like a stretch, isn't that Normal? Health care professionals are probably the worst about that. So we require it. And we do -- we do that every year. And it's working quite well. So we're already beginning to see some of the things that are beginning to benefit our personnel. Of course, you know, there's always that adage, anything you do isn't gonna please everyone, but I do think that we're on the right path. We're providing the variety that's necessary. We're providing the opportunity for rest to improve. So we are doing a lot of different things. It's not just the bun piece that we're doing -- one piece that we're doing. As far as whether it be be split up, I'll let chief brown talk about that. He's working on the implementation side. We have staggered it and we'll give you details.

>> Jasper brown, chief of staff. The 52 employees for the transition are already staggered in the current proposed budget. There's 26 medic 1s and 20 will be funded for a full year, six only have nine months' of funding, the medic 2s, there's 26 those also, nine months of funding for ten and 16 of those only have funding for six months. Also as part of the proposed budget there is a captain position and it's only funded for nine months also. We've staggered those in to account for that so we won't be able to promote and hire those positions until into the year so there's no since for adding those in the budget for the beginning.

>> Mayor Adler: What about doing it so it doesn't happen quite that rapidly? What if you -- what's the impact of you split it -- I heard the way that you split it.

[4:28:09 PM]

What if in essence that split was achieved but over a longer period of time?

>> So the split -- how we're splitting it now will cause a -- the annualized funding for those positions in fy18, I believe it's \$828,000. So if you push that out, you're gonna push those positions out to the following year, it would remain -- mean personnel would remain on 48 hour workweeks until those positions came in because we need those positions to be able to reduce funding -- reduce workweek hours for those positions. Every time we move someone from 48 to 42 we lose six hours of productivity.

>> Mayor Adler: Did we do some of this last year?

>> Yes, sir, 15 captain positions last year.

>> Mayor Adler: We moved some people from 48 hours to 42 hours.

>> Yes, sir.

>> Mayor Adler: We had talked about trying to do it over time to get everything in essence from 48 to 42 hours.

>> Correct.

>> Mayor Adler: And right now the way it's set up we're achieving that over -- we started last year, I guess, happening over a year and a half we're achieving that goal. Is that correct?

>> Correct. I believe the council we gave, I think, three different options, three year, two year, and all at once plan.

>> Mayor Adler: Which one did we pick?

>> The two year plan when you started with the 15 captains.

>> Mayor Adler: What if we went now to the three year plan?

>> Again, there would be personnel that would not be transitioned to that 42 hour workweek.

>> Mayor Adler: No no. And that I understand. I would be better if we could do it all in one year.

>> Right.

>> Mayor Adler: But we couldn't do it one year last year. We said, hey, let's try to do this in two years.

>> Right.

>> Mayor Adler: Given the budget situation we're in right now we look at it and say we can't do it in the two years so we -- what we really need to do is to pick your three-year option, is that still a viable option for the department?

>> I think it is, mayor. I think we can go back and look at -- we'd have to rethink it. The structure that we've designed now, the way that we've implemented, we've kind -- we have it stacked up so we would have to go back and rethink that and then we could give you more information as to what the real impact would be.

[4:30:22 PM]

>> Mayor Adler: Okay.

>> Things I'd like you to know, as we do that, is what would be the impact on the individuals? How many people would be delayed in the transition? What we might have to do to keep them strong and healthy in the meantime. So I may have to come back and say, yes, we can do that but there's gonna with some stopgap things we may have to do and might cost a little bit. I just want to give you a good, clear, picture for had a it really means. Unfortunately, I don't have that in my pocket today.

>> Mayor Adler: No, no. And you wouldn't be expected to have had that today, and for me and for everyone, the desire is to get everybody to the 42 hour workweek for all of the reasons that you gave. You know, my sense is that everybody is on board with that. It's a question of just what is the path. And without -- nobody has committed to do anything yet so we're still in an information-gathering mode but that information, how that would be implemented had we picked your other option, three-year option, which is what I recall, please, if you could go away and then provide back to the council so that we could

consider it, you know, the middle of -- we're meeting Thursday of next week. So if you could get that information back to us so that we could assess that and weigh that, that would be real helpful.

>> We'll do that for you.

>> Mayor Adler: Thank you. Other conversations on public safety? Yes.

>> I just wanted to get a little bit of information on the labs, forensic labors, rape kits and DNA analysts. I don't know, councilmember Casar, those were items I lended my name to in support of and I've been hearing from places how important this is. What I wanted to find out was -- talking about a pathway forward, how can we make this happen and if we don't have a place for the lab, how -- where do we do the forensic work and how is -- how does our partnering with Travis county and the meld examiner all -- medical examiner all fit into this?

[4:32:32 PM]

I'm bet there's somebody here who can answer all my questions.

>> I could barely hear you. Councilmember, good to be here.

[Indiscernible] And Alice Thomas. I think the question had to do with our lab, forensic lab, DNA work that has been suspended. We continue to work with the state to bring best practices after we had some of the challenges that we had. We anticipate having the lab up and running full bore by February. We're right on track. Having said that, what we're doing with our Danny grant, which is the district attorney of New York that gave us about \$2 million -- I believe about \$2 million total to work on the backlog, which is an issue nationwide because of the lack of funding, and because of some decisions that administrators over the years have made long before I was here in terms of the prioritization, it is that we are sending those out to different labs around the state and country and we're well on our way to catching up. The city and the workload continues to grow. That's why we've put positions in here that we think are critical to manage the workload, and, quite frankly, when you utilize science and you utilize science in a timely manner, you're doing two things. Number 1, you're really creating some efficiencies because the sooner that we can -- using that scientific evidence, break a case, the sooner we can close it, the sooner we can more efficiently bring that person to justice and, you know, bring justice to the victim. And so we're hopeful that we'll get these positions in this budget, and by the time we're up and running in February we'll be able to hire these folks and get back to doing the business of keeping Austin one of the safest cities in the country.

>> Pool: Another part of my question went to how we work in conjunction, in partnership with Travis county and the Travis county medical examiner? Do we share the space? Will we share the space?

[4:34:32 PM]

What about the closing of the lab, and will there be a new location?

>> No, there is no new location. Our lab is actually down on -- east Austin, off of -- what's the name of the street there?

>> The lab is temporarily closed just for training purposes. So the lab itself is not going to be closed and shut. We'll continue to run our forensics operations out of the current lab. We're not looking to move in with Travis county. We're just doing some retraining and adopting some best practices based on changes that the scientific community has deemed necessary.

>> Pool: Okay. And there was some conversation about maybe that space was for -- being considered for the sobriety center?

>> Correct.

>> Pool: I think I read something about that. Then explain to me why we closed it for training.

>> So there were some -- the scientific community realized that the way in which we were conducting DNA analysis and we being not the Austin police department, but labs across the country, when you were dealing with DNA samples that had mixed sources, in other words DNA we believe to be from more than one party we were using methods the scientific communities wants us to now do differently. To do this differently requires the retraining is and recertification of all of our DNA scientists, and we actually brought in experts from the forensics committee to do an audit of our LAN and their recommendation was that we shut down operations while we go through this retraining and we are following those recommendations.

>> Pool: That makes sense. And then the two items that councilmember Casar put on that I joined him on, could you just give me kind of a little bit of analysis or information on how that will forward the mission and its ps1.04, seven additional DNA analysts and an additional supervisor to fully staff the forensic lab for the Austin police department and the other one is ps1.07, which is funding to process the 500 case backlog for the sexual assault examination evidence kits.

[4:36:43 PM]

>> Sure. So taking the second one first, if I may, the \$500,000, we currently have, in addition to the backlog of the DNA kits that we are gonna address through the Danny grant, we have an additional over 400 DNA items that need to be analyzed, of which slightly over 700 are related to sexual assault cases. These are not the actual sexual assault exam kits. These are items of evidence such as clothing, bedding, sheets, things like that, that also need to be analyzed. And so this is going to allow us to analyze all of those item as well to prepare for prosecution of those cases if they are presented to a court. So that's what that item is addressing, because what -- the work the chief was able to do with New York and getting that Danny grant we're gonna be able to clear up the backlog of the kids themselves. This is just related evidence. And then the positions for the DNA, scientists and supervisor, this, again, came out of the audit. Chief reached out to Philadelphia and we brought in an expert from the forensics committee, and what they did is they looked at the caseload a DNA scientist should actually maintain and then they looked at the amount of evidence we bring into our lab and knowing that a DNA scientist should carry about ten cases a month and knowing the number of cases that come into our lab, this will allow us to keep up with the current caseload, which is about 1200 cases a year and we just don't have the staff to do that right now.

>> Pool: Will there be room in them -- for them in the lab? Physically, is the facility large enough?

>> Yes, luckily the facility was built with foresight that we would have need for expansion in the future.

>> Pool: Thanks. That's all I had.

>> Casar: No. I appreciate working with the department and for y'all being responsive on this. I think that there may need to be an edit to the documents since we submitted it because while the safe kits cost about a thousand dollars each and that's why it's estimated that you can do 500 without funding, my understanding from y'all is the processing of this other is actually more expensive so we'll get some smaller chunk down than 500, for 500,000, but we'll make sure that that gets updated.

[4:39:09 PM]

My understanding is it could be up to \$4,000 per piece of evidence so we'll continue to work with the council and have discussions around how much of the one-time costs we would want to tri-try to work on as a stop-gap while the lab is closed and how much to focus on making sure that we have the lab staffed up sufficiently so that when it opens up we don't keep building a backlog. And I appreciate us looking out the grants and the chief's work and getting that grant money back, but, obviously, there's a lot of concern about this in the community, and I do think, as I noted earlier during the work session,

that it is an exigent circumstance and we may need to look at different place he has that may be reserves that are usually used in more emergency circumstances to make sure we have the confidence in the community that this basic function of what it is that we do is getting done.

>> Pool: And that made me think of one last question. One of the budget concept items for a different department is to fund an fte who will look for grants. And I think it's in housing. So that we can find monies to expand and support our desires for affordable housing. Do you have someone who is specifically targeted on your staff who does -- is it grants administer?

>> We do, Karen Fitzgerald, who is a grants person, unit of one. I came from California where our grants unit was about a hundred folks but they were -- grant writing is really important. There's a lot of grants out there, but we do have one.

>> Pool: I've done a little bit of grants writing and I know it's difficult work, really detail oriented and a lot of times you put a lot of work into it and wait and then you don't get it. So there's not always a payoff at the end but it's really important.

>> Mayor Adler: The way you started off that sentence I thought you were volunteering.

>> Pool: I know, right?

>> We have a volunteer program we'd be happy to send you to on your spare time.

[4:41:13 PM]

>> Pool: Anyway, what I was gonna say about that is that it's hard work and so you should be sure to let us know if there's additional support that you need and maybe some of the civilians that you may be bringing on, if we're able to expand the number of civilians assigned to the police department maybe one of those people could augment the work that the grants administer is doing.

>> Part of this budget, the city manager help help -- supported this one includes some signalization pieces where we can get police officers back on patrol sooner rather than later. We have two officers that actually help the process with our full-time grant writer, and we believe if we get those civilian positions we'll be able to put two more folks focused on grants and two more cops where they need to be, working on keeping people safe here in the community. We're looking forward to seeing -- I'll be honest with you, that Danny grant is just a huge godsend for us, as far as [indiscernible] To actually take money that he didn't have to give to the community, and he actually gave us 2 million and we're very fortunate. The last thing I want to say about the importance of working on our workload for the forensics lab is that we're in the process of preparing some pas, sexual assaults are one of the most underreported crimes in this nation, and there's a lot of reasons for that. We are preparing pas, encouraging victims to come forward. You know, they're going to be believed by this police department. We are -- we have been working hard to get money and funding to get those sex backlogs so I'm convinced that we're -- it's a double edged sword that, you know, staff might go up but I'd rather -- stats might go up and I'd rather people come forward so we can get them justice and more importantly predators and people off the streets that are harming people. I'm convinced our workload is going to go go one these pas.

[4:43:15 PM]

I think they might even be asking you, mayor, some other folks to be part of it.

>> Mayor Adler: I'd be happy to. This is an important issue to me, although I'll admit I'm confused at the moment because I was thinking in terms of catching up on the backlog of those cases. The newspaper article had reported that there was 3500 so given that the 500,000 -- 35 kits to back up on so even the 500,000 was just letting us begin to approach that. We were still looking at subsequent years that we had it to fund, incredible work, bringing in the grant, taking care of that. That's great. I understand now



the focus is -- in my head needs to move from the kits to the other work that needs to be done but I don't know how to quantify that yet representative to what the path -- relative to what the path is on that but I understand that's one of the things, Mr. Casar, you're gonna be looking at with folks as well as making sure we have a system set up where we can continue to keep going. So I'm confused at the moment. Important issue to me, and I look forward to getting to those numbers so I can better understand what it is. Yes, Ms. Garza.

>> Garza: I really appreciate your words on the psa and your dedication to sending the message for women not to be -- or to know that their cases will be prosecuted. I hope when you're working on the psa -- and I'm sure you will -- meet with, you know, stakeholders too because it's not always they don't think their case will be prosecuted. It's just they're afraid to come forward or embarrassed or something. I hope as part of that -- I just saw a ridiculous headline and I aid -- hate to give any voice to this person, but that the campaign manager for a certain presidential nominee is saying that rape wouldn't exist if women were stronger. So thank you, and I hope that -- I'm really happy to hear about that psa initiative.

>> I appreciate that. We actually are working with our local stakeholders and I actually have a very vested interested in this issue as a father and someone that cares very much about this community.

[4:45:24 PM]

And kind of vetoed the script because I felt that the script, the initial script, wasn't -- could be perceived as we're blaming victims so I actually reached out to the bureau of justice expensive they're now working with us with national leaders on the script. The other thing I've talked to my team about, we're about 38, 40% hispanic and we have a significant undocumented immigrant community in this city, and I want this to be not just in English but we need to also be cognitive of the fact that we have a lot of immigrants in our community that are afraid of the police because of all the issues and the national level on the ugliness of the immigration debate, and I want them to understand that this police department, if you're a victim or you're a witness to a crime, we're not ice and we are here to protect and to serve these folks. So I want that psa in Spanish, in Spanish media as well.

>> Mayor Adler: Okay.

>> Houston: Mayor?

>> Mayor Adler: Thank you. Ms. Houston.

>> Houston: Thank you. I'm sorry if I missed this, but where is the Danny grant of 2 million? Where is that found in this concept menu?

>> I don't think it is in the concept menu.

>> Houston: So where -- Mr. Van eenoo, where will we find the Danny grant for some of the public safety issues that he's talking about, the 2 million?

>> I think it's already been appropriated, councilmember.

>> Houston: We're already spent that.

>> Yes, ma'am.

>> Houston:.

>> It's in process.

>> Houston: I just didn't know where to find that. So did if you can tell me, Mr. Van eenoo, at some point, I'd appreciate it. The other thing is that it's not just English and Spanish. It should be in Vietnamese, Korean, Chinese, and the other five languages that thation American quality of life have acknowledged that these were the ones that were most prevalent. We've got to start doing that job in Asian languages as well.

[4:47:25 PM]

>> And that's a very good point. It's our fastest growing community is actually the Asian community here in the city of Austin and something that we need to be aware of.

>> Mayor Adler: Anything else on public safety.

>> Houston: Fire. I have something on fire.

>> Mayor Adler: Go ahead. Fire away.

>> Ooh, fire, I can answer some of those questions too.

[ Laughter ]

>> Houston: Then, mayor, I'm going to have to go. It's almost 5:00. Good afternoon, gentlemen. The last time we were here, there was conversation about the five new fire stations and then the contract for services with the emergency service district number 4. And they were -- we agreed to have those stay on. I need to know, because I went back and looked at Travis county, the commissioners court's conversation about whether or not they were gonna be able to help fund any of that suggested merger, and I didn't see anything about the -- them being able to fund either this year or the million five gap that we have next year. Could you update me on where we are with that?

>> Tom, chief of staff, Austin fire department. I can't give a lot of information on what the county has taken action on at this point. I am aware of conversations that have happened at the county level. As far as that goes, we are -- the Austin fire department is unaware of any commitment of funding at this time from the county.

>> Houston: Okay.

>> That's our impression.

>> Houston: Okay. So, mayor, at some point I'll be asking to take this off again because we don't have the bandwidth to fund this at \$60,000, the first this year, or the \$1.5 million.

>> Ongoing.

>> Houston: Ongoing.

>> Mayor Adler: Which number that?

[4:49:27 PM]

>> Houston: Ps102 on page 19 of 48.

>> Mayor Adler: Thank you very much. Yes?

>> Gallo: I think that question was addressed by Mr. [Indiscernible] When he was here, was my understanding, and that may have changed and he would probably be -- if the department doesn't have the answers, he would probably have the answers but my understanding was the county was gonna pay half of the cost the first year and then the projected cost in the following years would be 1.5 million and the county would pay 500. So .5 of that.

>> That's correct. And the conversation I referred to is the conversation I've had with chief nicks also on that topic but I haven't had any confirmation with the county.

>> Gallo: He may have confirmation on that. We'll try to get that.

>> Houston: It's just really interesting that -- I would like our staff to be included in those conversations so they can give us the information rather than going to the union people to get it.

>> Gallo: I agree.

>> Houston: I looked, had staff look, I looked at the commissioners court's meeting back Tuesday and they passed some items about the emergency service district, but they didn't talk at all about increases to esd4 short-term or ongoing.

>> Gallo: Okay.

>> If I may, ray Arellano, assistant city manager. In regard to that particular commissioners court item on esd4, that was separate from the consideration that you're talking about here in terms in terms of

consolidation. That was to break part an interlocal agreement the county has with all esds into one that can be managed separately in this particular case, esd4. In terms of the question of consolidation and whether or not Austin phyte fire department could provide a service contract to provide the fire services for esd4, again, we produced a memo that talks about the initial costs and so forth. In my conversations with Danny, the county sec for public safety, at least from his perspective and he can provide the information as well, the county is not looking at this stage and providing either half of the initial years Los Angeles -- allocation and certainly beyond that would be a consideration for the county to get into, but, again, they have their own challenges in terms of the services they are providing, and so that's the state of my understanding of the county's participation at this stage.

[4:51:55 PM]

>> Houston: Thank you so much for that update. I appreciate that. Thank you, chief.

>> Mayor Adler: Okay. Any further questions? All right. We'll move off public safety. We have two more sections. Three more sections, qualify of life, utilities, and other. Councilmembers, what I did on this is, if you look at the quality of life 1.26, I put in \$3 million. I meant that \$3 million to be a bucket that would address quality of life issues, spirit of east Austin issues. As I was looking through the list of the things to have happen I was phased with -- faced with the same quandary I talked about this morning. These are all wonderful programs. I know a lot of the people that are involved in a lot of these programs. At some level, though, I'm not sure that we are the best determiner of who it is that should be getting funding. I know the city tried to move to a more objective process and greater accountability. And someone who doesn't know anybody on the council should have an equal opportunity to be able to compete for funding than somebody that knows people on the council. So I intended those as placeholders, you know, that could include things that -- on the quality of life.

[4:53:58 PM]

I noticed that some of the things on the quality of life and some of the things on spirit of east Austin also are health and human service issues or social issues. So I think that -- so that's what I did, because I wasn't sure what else to do at that point in time and I wanted to make sure there is a bucket there to be able to do that. But I meant that to be something that could hold quality of life commission items, spirit of east Austin items, health and human services items, special service spending items and the like.

>> Gallo: So where -- so I see the three -- is that the 1.26?

>> Mayor Adler: Yes.

>> Gallo: So where's that money coming from?

>> Mayor Adler: It came from me. And po and --

>> Gallo: No, no, no. Y'all are rich? Your salaries must have gone up. No. The question is is that it's 3 million, but where do you -- I mean, I think people are talking about this is important and they can see the funding coming from a cut some place.

>> Mayor Adler: Right.

>> Gallo: I'm curious where the cut would be coming from.

>> Mayor Adler: So this morning I started the meeting by laying out six or \$7 million worth of cuts for the -- that I was trying to daylight.

>> Gallo: Cuts from the budget proposed, not from the concept menu?

>> Mayor Adler: Correct.

>> Gallo: Okay, thank you.

>> Mayor Adler: Correct.

>> Renteria: Mayor, if we can also delete one that -- 1.21. For Johnson terrace. I think that could be deferred and we can come back and really look at this, look at this mix here, if it's -- I think this was put in there before we announced the Jane lane compromise that -- so that the affordable housing. And now that we have three projects coming in there, including spankies, Cesar Chavez and haca, they're all gonna be building there in that area, so I think if -- we should let that project go through and then come back and revisit it.

[4:56:13 PM]

We need to maybe do something else with this kind of money because studies should be maybe concentrated more on the trails and safety that we have going on with the southern pacific rail and capital metro with the rail there that they lease and maybe we can work something out with capital metro and -- with them and see if we can come up with a solution to that -- the problem that we're having there.

>> Mayor Adler: To be addressed there? Okay.

>> Renteria: I think it's gonna be a fairly expensive item because, you know, we don't know what to do with the tracks. And if you build a walkway over it, most kids are not gonna use that anyway. And so we really need to make sure that we're investing our money in the right way. So I would like to do it that way.

>> Mayor Adler: Okay. And while we're on that, Ed, we had talked about making part of this budget commitment, figuring out how to fund the certificate of occupancies or otherwise indicate that we were going to move forward with Jane lane deal, as well as the -- I'm sorry, meadow lake roads, thank you, and I don't know how we put that into this budget, but I want to make sure that we address that in this budget. My hope is that next thursday/friday, when we meet, certainly on Thursday, we have a potential for Friday, for hold for next week, starting at 10:00 on Thursday, that we give a little bit more body to -- direction on the \$3 million if we want -- or whatever we do that's similar to that in terms of direction to the staff if in fact that's something that the council does.

[4:58:18 PM]

Ms. Houston.

>> Houston: Mayor, I've passed out from the African-American resource advisory commission and the asian-american quality of life their top priorities, and the asian-american quality of life, there are two buckets. The first million and then the second -- a second tier of priorities. And the African-American quality of life just did ten, and some of those we've removed because they were outside of the city. They had more of course on their recommendations but some of those were outside of the city and I think we've removed them on the most recent draft.

>> Mayor Adler: Okay. Anything else to discuss on the quality of life? Yes, mayor pro tem.

>> Tovo: Mayor, I think I said this earlier when you brought it up. I have some discomfort too about our making decisions about particular organizations or particular programs when we have -- when we haven't necessarily sounded the call to all organizations. So that's something I struggle with a little bit. Frankly, I struggle with it with regard to our fee waivers as well. Having said that, I was a supporter on one of your items that created sort of a body of funding, and I put a similar item on there, but I just wanted to point out ql1.28, not really to compete with your item because if we could find those millions I think that would be a great way to do it, but I just wanted to remind people with my concept item that we had created that funding for different -- you know, to be used sort of as a mini grant program and we had a discussion that we don't need to go into again this morning with economic development but now I continue to be a little confused about how much that fund actually has left.

[5:00:22 PM]

It looks like from this response it looks like there is an additional -- or an unallocated amount of 158,705. After you factor out --

>> Houston: What page are you on?

>> Tovo: I'm so sorry, page 29 out of 47. So this is the funding that we were talking about earlier this morning in economic development was walking us through the couple organizations that we committed for multiyear funding and then we talked about the cultural contracts, unspecified cultural contracts which I think somehow got merged with our capacity building program that preexisted this funding but it does look like we have about 158,705 after all of those other commitments so there is a little bit of funding in here so that's a bright side that wasn't apparent in our earlier discussion. That's all.

>> Mayor Adler: Okay.

>> Houston: Mayor pro tem, I thought they were gonna get back to us because they said some of these were out of one-time funds.

>> Tovo: Right. Last year we created it out of one-time funds but some of these contracts are gonna continue. Some of these, jump on it and some of the others but I think this estimate of one-time funds takes all that into consideration.

>> It does. I think what happens is council funded those listed there -- on a four-year basis. I think it was one of the actions you took last year, the budget was out of balance to the good, we had \$158,000 left and council said put it in the community incentives fund for nature needs and forgot about that but that's what that's representing.

>> Tovo: That's good. That's a restroom. That's a.

[ Laughter ]

>> Mayor Adler: What was that number you instead -- you said?

[5:02:27 PM]

I'm sorry.

>> Speaker2: \$158,705 in the community incentives fund that's not currently allocated for anything.

>> Mayor Adler: Okay. Got it. And that's different fund than the Ed fund? That was the other fund --

>> Tovo: That's the same fund. When we talked about it this morning --

>> Mayor Adler: When we took those three things out that's the remaining balance.

>> Tovo: That's right and the unspecified cultural contracts they're gonna get us more information about it. It sounds like after all that there's still 158,000.

>> Mayor Adler: I like it when we find money.

>> Me too.

>> Mayor Adler: That's the quality of life. Anybody want to talk about anything in the utility? They laid out any of those items? Utilities? I can't hear you.

>> I don't know if you want to talk about 3.02 or 3.03. Don't change wholesale monthly maximum change or wholesale volume unit charge.

>> Mayor Adler: You in the other --

>> Pool: UT -- you tow what? I think this -- it says removed. Never mind. There's a -- it's in the back that - sheets in the back that say they've been removed.

>> Mayor Adler: If there's nothing we want to daylight on utilities --

>> Pool: Sorry.

>> Mayor Adler: That's okay. There's something on here that I don't know enough about but I'm interested in because it's transportation, and that is on the other menu. Ot1.11. There was kitchen, Garza, Gallo, Renteria. Other ot1.11. I'm sorry -- 35.

[5:04:39 PM]

>> Garza: What was -- did you have a question?

>> Mayor Adler: I'm not exactly sure this is. My sense is this is kind of like a grant person, a person we're funding in whose John it is would be to find other monies -- job it would be to find other monies which I was interested in because my introduction this year in this area associated with the smart cities grant was there's a lot of grant money that is available or relationships that are available if we could actually devote the time to be able to do that. So I'd be interested in learning more about that maybe next week. But that one I flagged. Does anybody else have anything in the other section they wanted to daylight? There was also ot1.18, which was the go home fair funding. That showed up as a C.I.P. Item.

>> Pool: Right.

>> Mayor Adler: This includes weatherization, the kinds of things Greg was talking about yesterday when he did Austin energy. This item ot1.18 that actually does additional home repairs for people below 80% mfi so I daylight that as something I noticed that's showing up in the C.I.P. Budget so I'm not exactly sure, you know, what that means, but I'm gonna want to learn more about --

>> Pool: Mayor, if -- I'm remembering that we talked about in the ae rate case settlement there was money set aside for weatherization and was that coming from Austin energy or were we taking, for example, C.I.P. Money to put into Austin energy for whetherrization? Is that kind of the questions you've got, about the source of the funds?

[5:06:42 PM]

>> Mayor Adler: My sense is those are different things. That there was -- but I don't know.

>> Pool: What overlap there is?

>> Mayor Adler: We've been looking for money in other places, you know, trying to, and I don't know if there's money in other places for us to look at in terms of a C.I.P. Budget or what it would mean to have a million dollars we were trying to find in the C.I.P. Budget.

>> C.I.P. Funding can come from different sources. We transfer money from the general fund to the C.I.P. For this purpose. A lot of the go home repair money if not most of the go home repairs money in the past have come from bond programs.

>> Mayor Adler: Bond programs, okay.

>> It would be a C.I.P. Item were the funding source would come from, we don't know yet.

>> Pool: And is this different from the weatherization program revenues that were part of the rate case settlement?

>> I believe these are different.

>> Mayor Adler: Okay.

>> Houston: I too would like more information about that. Like, the other part -- people in the coalition that do provide home repairs.

>> This is a neighborhood housing program, not an Austin energy program.

>> Mayor Adler: Yeah. Anything else anybody wants to daylight on the budget? Mr. Casar.

>> Casar: So I've tried to focus in my comments on big stuff and bigger changes but just since we do have a minute I do want to indicate that the mobile walking beats in a community policing program along the rundberg corridor, the doj grant is running out and most of those walking beats are already as part of a.p.d.'s existing budget but there is about one shift of them that isn't included in the budget so I

think potentially that may nobody a lot of money but since we are talking about community policing I'll be looking to see where it is potentially within the police department's budget. I do think that this is a priority because it's something that, if it works and the UT data shows that it's having a real impact, we may want to find ways to do another -- do it in other parts of town and want to make sure that we keep the mobile walking beats going in the parts of town that need it.

[5:09:01 PM]

So I -- you know, essentially we've got lots of positions in the department for patrols and I think this would essentially be a patrol position. It's just more of a foot patrol position. So I just wanted to daylight that as it's not necessarily something that we need to find money for but it may just be prioritizing of -- within the existing budget but I just want to daylight the issue so I'm not bringing it up at the last minute.

>> Mayor Adler: Okay. Anything else to daylight? Mayor pro tem?

>> Tovo: I have questions for development services, and I know we may be ending -- getting to the end of everybody's time frame so I don't know if you want me to launch into these or if you want me to save them for our presentation tomorrow. But I do have -- I do have some follow-up questions to the questions I submitted through the q&a, and I can rapid fire lay them out or -- what's our time frame here?

>> Mayor Adler: Why don't you rapid fire lay them out.

>> Tovo: I'll lay them out. In question 207 I asked for some -- I asked for some detailed estimates to support the estimate. As I understand -- so I put an item on the concept menu related to the -- to reduce the number of ftes proposed for development services expedited permitting. I have multiple questions about this. I assume that by approving this year's budget we will have in effect approved a process of expediting permits.

>> Mayor, council, rode Gonzalez, director for development services department. Yes, with one caveat, of course. You may recall that council had adopted a resolution in June to come back with options for implementing the expedited permitting program. And on August 9, I presented those options to city council, and so it's my understanding that tomorrow there is gonna be a discussion of perhaps one of those options, and so if there is no decision made of course with regard to options, then, yes, the expedited permitting program would be implemented through the adoption of those positions in the budget.

[5:11:07 PM]

>> Tovo: I do have -- I continue to have some questions about that, and maybe some of those are better left for tomorrow. I am a little concerned we're setting up a structure where if you have more money you get to move through the process more quickly, and it just -- it continues to make -- to bring me concerns. But let me stick to the budget, the budget questions I have for you. So as I understand from the responses, the anticipated fees for expediting permits will pay for those staff. And I asked for a detailed estimate, and the answer provides some information but it talks about their structure to fully recover all costs including an allocation for overhead expenses. That level of detail is really what I was asking for so if you could provide me with some -- with that specific information about what the allocation was for overhead and how you factored it in and how many hours and that. And I would like to know what -- what will happen if suddenly the -- the hours aren't -- it doesn't come through, that we don't have the level of demand for expediting, for the expedited permit process that we're planning? What happens to those staff? Do those then get picked up bit general fund? I mean, it is -- that's kind of a discussion I'd like to have. Those are a couple of questions. Could you provide those more specific

calculations for us, and then, two, what's the plan B if the demand for expediting permits isn't as high as you anticipated, and does that speak to a need perhaps to phase in before you goes right to 18.

>> Certainly. I can certainly provide a quick answer to some of those questions. It wasn't our intention not to provide you the overhead so it's good to have this clarification as to what specific information.

>> Tovo: Yeah.

>> And we have competed -- computed what that fee range could be.

[5:13:09 PM]

When we hire our fee financial consultant, which should be soon, we're gonna also ask our financial consultant to confirm the methodology that we used in computing that fee, but we can certainly provide you the overhead percentage that we used in computing the draft fee. To your other question, then, what happens when the demand isn't there? You may recall in my report that I presented to council on August 9 it's my intention to phase in this program. The program incorporates two complete teams. We would hire the first team and the funding wouldn't be available for us until March 1. So even though it is in the budget, the funding you may recall is only for seven months of allocation beginning March 1. So we wouldn't be able to begin this program any time before March 1. And we do intend to phase it so when we reach 75% capacity of the first team, that would be the trigger then for putting in place the second team. The program, as I presented, is available for commercial and residential projects. That could small projects such as a single family house. It could be large projects such as the austonian over here it it would range to a wide range of projects. We're looking at the data. So far it's -- in terms of comparison, we have approximately 9,000 projects that could qualify for this expedited permitting program. The feedback that we've received from industry is that there's a significant demand for this type of service. And you may recall that I think two previous councils had adopted resolutions seeking this program to be put into place. Council also asked that we had -- asked Mr. Zucker to include the expedited permitting program review in his analysis, which he did in may of last year. So that came forward. His analysis included a look at the program in Los Angeles, which is successful. On our own, we looked at the Dallas expedited permitting program, which is equalled the Q team, and we've talked to the city of Dallas at least three times to ask them various questions, including the program parameters, et cetera, and the program has been very successful on their end as well, including the demand.

[5:15:29 PM]

They are in the process of implementing a second team due to the demand as well. And I know that Austin and Dallas are different sizes, but these are just by way of comparison with other expedited permitting programs.

>> Tovo: So I hear my colleagues past packing up so let me just -- let me just say that I do have additional questions with regard to some of the -- some of the staffing to the third-party review. Is the third-party research -- it appears that those are all going to be can be that the third-party reviews are all taking place within commercial. Is that accurate? Would would be that third-party review be able for residential as well.

>> Right now we've actually begun testing that out, used some of our overtime allotment to do a third-party contract and we've had great successful on the residential side to help speed along their residential reviews. We wanted to test it out so that way we could see about expanding it. And we feel confident by expanding it that we can also help to meet some of the some of our on-time performance measures both in exponential commercial plan review as well as residential inspections. And so that's what we would utilize those dollars for. In terms of residential inspections, we have figured that three using a third-party contract that we could eliminate the need for requesting two ftes within the



department and by eliminating that need of course then should Austin experience a downturn we could of course eliminate the third-party contract more readily than we would a full-time confident position.

>> Tovo: Thanks. I know councilmember Renteria had a question so I'll leave it by saying I have more, but --

>> Mayor Adler: What was the budget question? That you started off by saying? It was number.

>> Tovo: 207. I would say the relevant budget questions to the follow-up question I wanted to ask are 207, 208, 209, 210, 211. That's really looking at some of the positions being added and trying to understand what their job duties are and what the cost benefit analysis is for things like the third-party review.

[5:17:38 PM]

>> Thank you, councilmember.

>> Mayor Adler: Thank you. Anybody else want to daylight anything.

>> Renteria: I really didn't have a comment. I was just gonna comment on what my colleague Greg was saying about the police beat in the community. It was -- it's a great program. When we were there at the A.P.D. Gala, the unit that was working there did such a wonderful job. They came in first on everything on there. So they really made -- have been making a difference, and just to say that sometimes these program become so successful and then we cut their funding off and, you know, it will discourage the neighbors and everything else. So I think we should really, you know, focus on supporting that. That small amount of money for the return that we get is just -- exceeds the amount that we're just investing in that.

>> Mayor Adler: Yes, Ms. Pool.

>> Pool: I had a follow on question from what the mayor pro tem was talking about weapon with the expedited permitting program, are you going to have some kind of review process put in place to make sure we're not missing any issues with the expedited permits? Like are we gonna go back and review them and make sure that -- I'll call it a health or safety issue was missed in the expedited process? What I mean is will we go back and look and see if in the -- after having done this for six months or a year that we missed some issues that showed up later but we didn't see them in the permitting process because we were accelerating the process and missed things, we didn't do a sufficient review or we pushed something through in order to meet a time line that maybe we shouldn't have?

[5:19:41 PM]

>> That's something that we can certainly talk about at the staff end. Of course we are always concerned with quality in all of our plan reviews. As I mentioned earlier, we've done 9,000 projects in the current fiscal year through regular reviews. That's quite substantial. We're always concerned with quality. And it's something that of course we want to look at implementing a quality control, quality assurance program, not necessarily just for the expedited piece of it, but for the entire department as well. To ensure that, you know, we are reviewing these plans accurately. Of course one big challenge and y'all have heard me mention this before is the current code. The current code has changed 200 times it's very difficult for our plan reviewers to keep up with the code changes and a lot of them of course conflict with one another and the staff does their very best of course to review the plans in accordance with the existing code. And of course we're in the process of going through the codenext to update the city's code. But we're always concerned with quality, and of course not just with the expedited personaliting program but with all plan reviews in general.

>> Pool: I guess that would be a piece I'd like to hear just a report back, if this passes in whatever form it looks like it's in. Maybe six or eight months after it's moved forward, if you could come back to us and

give us kind of a -- an update on the quality and -- equal assurance and whether we've met standards and just how it has changed timing and the processing for your staff.

>> We certainly will. We view it as a very positive step forward to helping with the workload, the volume increases that we were seeing year over year. If you consider Mr. Zucker's analysis, which had prescribed a certain number of positions, that data is now two-year-old and we've had year over year increases.

[5:21:46 PM]

Although we've set targets of 90% on time review through our action plan and success metrics, that becomes a moving target because of course the workload continues to increase every year. You know, that isn't necessarily a bad thing because of course Austin's economy continues to excel, and you see that in the form of property taxes, sales taxes, et cetera, new job creation, things like that, but we do experience those work volume increases that we of course have to factor in when we're setting our targets.

>> Mayor Adler: To that end, we have a lot of people in the community that know the targets that you've set.

>> Yes.

>> Mayor Adler: And are countering on those targets being met. So if as events change you see a need to change any of those targets, if you'd bring that to us when you notice that as opposed to later -- when you know the targets need to change, come let us know so that we can make sure that the people and community are not traveling with an unrealistic expectation.

>> Absolutely. And those target changes of course -- well, they will depend of course on what ultimately make it in the fiscal year 18-17 proposed budget. The positions that we have requested are to get us towards those targets, and so as those resources change, then of course we certainly will provide council the information with changes to targets.

>> Pool: That sounds good. Thank you.

>> Mayor Adler: Actually, as we're considering those changes, it would be helpful to know how those changes might impact your targets.

>> Absolutely. And with response to some of the budget questions, we put that information there as much as we could.

>> Mayor Adler: Okay. And we have those numbers. I'll make sure I read them.

>> Pool: Numbers two, four, five, six, seven, eight, nine. There were a number of them. I pulled --

>> Mayor Adler: 207 through 211.

>> Pool: 211, yeah, great.

>> Mayor Adler: Anything else to daylight? This was really helpful for me today.

[5:23:46 PM]

>> Pool: Thank you.

>> Mayor Adler: Thank you very much. This meeting -- thank you, guys. This meeting stands adjourned.