

City Council Budget Adoption Reading Transcript – 09/12/2016

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[9:55:10 AM]

>> Mayor Adler: All right, council, are we about ready? I'm going to go ahead and gavel us in. This is the city council meeting, Monday, September 12th, 2016, the time is 9:55. We are in city council chambers at 301 west second street, Austin, Texas. Here at 9:55. Council, on August 18th and on September 1st the council took public comment about the city's proposed budget. We closed the public comment part of the budget hearing. And on these dates the council also held and closed the two public hearings the law requires to set the tax rate. So we're now going to conclude the hearings with our discussion and then ultimately voting to adopt the city's budget and the actual tax rate for the fiscal year 2016-2015. At this time we're going to take up the discussion of the city's budget for fiscal 2016 and 2017. So council, I think this is the choreography that I would propose. We would lay out the manager's proposed budget. There will be some changes to the manager's proposed budget that staff has told us about a month ago and otherwise relating to the final certification of the tax rolls. So we'll get all those amendments made to the manager's budget.

[9:57:16 AM]

And then to give us a framework for the balance of our conversation today and possibly tomorrow and the next day, what I would propose is to make the motion to amend the manager's budget with the changes that it were posted on the board and were handed out to you today. Those are changes that track generally the identification of at least some of the issues, many, but not all of the issues that were raised in our conversation over the last couple of days. And at that time I'll walk you through what those things are. And then once that is on the floor in terms of the changes to the manager's budget, then we will start our conversation about things to move in and out. In that regard, what I have handed out this morning, some by way of placeholders and some by way of information, is I've handed out just a starting point for us on the budget. The goal was to get something that would balance, where the changes in would equal the changes out. So that it would balance, so that the council could see as it was adding things or cutting things or moving things in or moving things out the impact that that would have cumulatively. I also note that in order for the changes to zero out it would require us, if we did that in that form. And I have no expect that we'll actually do it in this form, but just so you know, that used \$1.2 million of the 3.8 million dollars that the staff had identified yesterday and emailed to us -- so it uses 1.2 of those.

[9:59:33 AM]

And with that use of 1.2 it balances. So the second document that was handed out is a second document is a copy of the 3.8 items that were given to us by staff yesterday, but the heading on it you will see says if we were to raise \$1 million, and really that should be \$1.2 million. I mean \$1.1 million. If we were to raise 1.1, that's what you see. And all the numbers that the staff gave us are here. So the things that were not included as a cut, you'll see I have the word "Omitted," but the dollar amount is to the left. This is just a version of what these cuts would look like so the budget zeroed out. We don't have to use this, but the important thing to note was that in the budget that I did hand out, it requires us to use \$1.1 million worth of cuts somewhere. If we didn't want to use those, then we have to either cut more or put less on that budget. Mayor pro tem.

>> Tovo: Sorry, mayor, I'm not following you. So we all got that document yesterday, probably we've gone through and identified which look good and which don't. Is my understanding this is your version of what looks acceptable to you or this has every cut on it that staff has provided?

>> Mayor Adler: It has both. Every cut the staff provided us appears on here. But since the budget I handed out only required us to use 1.1, 1.2, if you'll look at that thing that I handed out, for example, the survey, you can see in the description it was \$55,000, but I did not put it in the total to the 1.1. But you can see on this both the item that was provided by staff, so it's physically there, there's no item that was removed.

[10:01:41 AM]

The 55,000 is --

[multiple voices] So even when omitted it I put what the dollar amount was. It was just a version.

>> Tovo: Okay.

>> Mayor Adler: I felt a responsibility to present something that zeroed out.

>> Tovo: I think we may have different -- I hope we will build in a conversation around those items because we probably will hand in different places on some of those.

>> Mayor Adler: And I would expect us to land in a different place. I felt an obligation to --

>> Tovo: Got it.

>> Mayor Adler: All of the information that came from staff appears on this so that everybody can see -- even if it was a cut I didn't take I put the dollar amount on the left-hand column so it was there to see. That's the second one of those. The third thing that I handed Justine out just for people to see was a side by sides -- three columns that showed -- in the budget I handed out there's \$2.1 million for quality of life items. It is a single line item at \$2.1 million. Just for information I have given to everybody a list of the top priorities of the African-American quality of life, the asian-american and the Latino, hispanic quality of life for their top \$700,000 in priorities. If you were to adopt these, it would be \$2.1 million. So I give you that just by way of information. And then the last thing that I've handed out to you is a really early draft of a rider. So let me talk just for a second about the concept of rider because it's come up a couple times. We've talked to staff and we've talked about putting into our budget this year that we adopt descriptions or instructions to staff.

[10:03:46 AM]

And I see us really talking about those tomorrow and not today. Maybe just to kind of -- to flag them today. So we had handed out earlier and councilmember kitchen had refined a little bit earlier a rider that related to the forensic lab, for example. And we can all talk about wording on this. This is a possible

rider, one just to give another description of what a rider might look at, this one says we're not giving the \$2.1 million to any specific programs, but it provides a process and a criteria that could be used for defining or deciding how that 2.1 actually turns into spending on items. And again, I would expect us to do a lot of editing on this and changing on this as well. But let's -- as we go through today, let's make a note on the various riders that we might want to do and then maybe at the end of the day we'll just divide those up and people will take the labor -- come back to council with possible language for the rider that they can post and we can all edit. Yes, Ms. Kitchen.

>> Kitchen: I just wanted to reiterate, I think the rider is a good idea. I'm seeing it as something we haven't done in the past, but I think it's a way to really capture our intention. You know, last year we did a lot of discussing about what intention we had when we talked about certain dollars for certain things. So I think the rider is a way to put that in writing and actually help the staff understand what we meant. So -- so I think that -- I applaud that. I think that giving us time to work on riders and so we're not actually trying to look at language until tomorrow is helpful. And I will say that the rider I passed out on Friday needs a lot more work.

[10:05:47 AM]

You know, that was just an example of what a rider might look like with regard -- that had to do with the forensics and also the police budget. In any case, I think it's a good idea to do riders and as we go through this discussion I'll be pointing to a couple areas I would like to see riders with the idea of having that language tomorrow and not today.

>> Mayor Adler: No, absolutely. Let's justify the places where we think we might need riders. Assuming that we quickly work through this budget and decide all the numbers pretty quick, then we have tons of time to work on riders.

[Laughter] Councilmember Casar.

>> Casar: Mayor, thanks for playing out the agenda for the day and I do think working on when we'll do the flagging and work overnight on those is appropriate. My only request on changing the choreography, I know we have an update on the police department that we should probably take up before we get started.

>> Mayor Adler: Is the chief here or chief Manley? Who is going to give us that -- chief? He's outside on the phone. Before we get into those details, we will have him talk first. We're going to -- when he comes in, we'll have him give us that update. Mayor pro tem.

>> Tovo: I just wanted to make a quick note. I handed out a list of potential cuts and potential additions. Maybe one or two may not be moving forward, but I wanted to let you know I have the wrong zip code under the security lighting installation. 78744 and 78745. So sorry about that. We are awaiting numbers on a couple of the items up in development services so when those become available I'll either hand out a new copy or as we talk about it let you know.

>> Mayor Adler: And unless there is any question, there's no limitation on what anybody can offer by way of amendments and cuts on this. It was just to provide a framework for us to have a starting point on and things to consider.

[10:07:50 AM]

Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. Just a quick question. I like the budget he had rider concept for introductions for spending, but maybe this is for councilmember kitchen because she served in the legislature before, but is there something or is the budget rider the same tool you use if you want to give instructions for savings. In other words, if you've allocated a certain amount of money, turns out

you don't need that, you could give an instruction that money should not be spent and returned? Same budget rider?

>> Kitchen: Basically it's a binding document about what's the intention towards funds. What you use it for, what you use it for if you don't need it, really the parameters are wide.

>> Zimmerman: That's terrific because remember we had a discussion about communications technology, ctm, and we showed some pretty huge numbers between what was allocated and what staff showed us was actually spent and that was in the tens of millions. I'm thinking maybe budget rider would be a place we could apply that to.

>> Mayor Adler: Okay. So, chief, why don't you come up for a second. I understood that you had some information that you thought we needed to hear as we -- as we're doing our work today.

>> Yes, sir, good morning, mayor, council, city manager. We had really good news. Last week we were awarded a new federal grant at the opportunity of \$200,000 to help us again because of the work we're doing trying to lead the way in getting this issue which is a national issue fixed. And we're very confident and I can almost assure you that we will be able to get it done within our existing resources between the grant and some other existing funding we'll be able to get the backlog squared away and work on it diligently. To the extent that one of our grants will also provide psa funding because we know that this is a crime that is the most under reported crime, one of the most -- highly under reported crime, encouraging folks to step forward and informing our community we are taking a lead to overcome this nationwide backlog.

[10:10:01 AM]

>> Mayor Adler: That's wonderful news. It will make us -- well, one, it's wonderful news just because it's going to deal with something obviously the community was real concerned about so that you are able to be responsive to the community is great news. Also makes our work on the dais just a little simpler.

>> Casar: Mayor, can I follow up. So my understanding from speaking with you and the chief of staff is that there's a commitment to funding this now, prioritizing resources so between now and when the forensic lab reopens, all sexual assault evidence kits will be processed that are in waiting between now and then.

>> Our commitment is to actually spend the funding to get it done. I can't say 100% because obviously when other labs are doing it and remember that an infusion of funding has been provided by the district attorney of New York to a handful of departments around the country and from the department of justice has also provided a lot of funding. My commitment is to get it done, understanding that it won't be completely in our hands because we have a third-party vendor that will be providing -- a private lab will be providing it, but absolutely that is our goal.

>> Casar: Our expectation is that we're going to get it done, we're going to do everything in our power to do so and if there's any snags along the way, we will communicate that with the community and we will do our -- everything we can to overcome --

>> Yes, and we plan on a couple things. The crime lab has been used a lot lately and I think it's really important as a police department to provide an explanation of how we got to this point where we had to actually suspend operations because the police department has actually done its due diligence over the years and running and managing that lab. And I think it's really important as a police chief and member of this community to make it abundantly clear what was our due diligence, what did we do in terms of due diligence and what are we doing moving forward to not just work on this backlog but also instill the full confidence of the people we serve and the criminal justice system and our lab when it opens hopefully in February.

[10:12:21 AM]

>> Casar: Thank you.

>> Mayor Adler: Great news. Thank you so much.

>> Garza: I just want to make sure I understand what was discussed. So does that mean the 1.42 for the ftes for the forensic lab can be taken off this list?

>> Casar: When the chief sat down I was going to explain why we're at.

>> Garza: Okay.

>> Mayor Adler: Okay. Thank you. Go ahead.

>> Casar: So answer councilmember Garza's question, we still in the budget have to work on the analysts for when the lab reopens. And that is work that I think in the sheet that the mayor handed out there's significant cuts across many proposed increases to help fund that. And I think that there's a debate about where it is that we fund that from, but it's still critical that we ensure that we don't accumulate a future backlog by appropriately staffing our forensic lab. That isn't the component the chief just spoke to. What the chief just spoke to are the sexual assault evidence kits that are currently in waiting and kits we may get in between now and the lab reopening, the department has committed to me privately and I think ear publicly that they have resources now in this fiscal year's budget to address those issues. It's something that we should have been doing this entire time, in my view, and I appreciate that advocates have come forward to ask this of us. I don't think that survivors of sexual assault should have ever had to come in the first place, but I think that because of their work here advocating to us what we are seeing is an important commitment on the police department's part to reprioritize existing resources to make sure that we don't have a backlog of sexual assault evidence kits.

[10:14:36 AM]

As far as staffing goes, though, that's not something that's in the department's hands. That's our budget that we approve to decide ftes and I think that we still have some work to do here in the coming days to ensure wherever we get the money from that we fund the ftes in the lab so when the lab reopens we are able to continue processing sexual assault evidence and to keep a backlog from accumulating again.

>> Mayor Adler: Okay. Yes. Ms. Pool.

>> Pool: I think the piece that was startling for the community for the public was finding out that we had such extensive backlog, so I really, really appreciate the police chief and the department stepping up to work toward eliminating that backlog and also what I heard and I just want to emphasize is we need to stay on top of that and make sure that we're monitoring it so that the curve doesn't overtake us. Those kits have to be processed timely. Justice depends on that. So again thank you to the staff for really digging deep and making that commitment. And we will be -- we will gladly monitor the progress toward the finalization of that backlog and make sure that we don't get in that situation again. And I do support what my colleague is talking about with the forensics lab. We need to pay attention to that as well. So thank you.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I would just like to ask the chief to comment on whether -- on his perspective about the positions that we're working really hard to identify funding for, whether within the existing or proposed APD budget that you brought forward, whether you can also manage to make the hiring of the scientists a priority or whether it is going to require us to add more money to the budget.

[10:16:38 AM]

I appreciate you working and really identifying assets to deal with the backlog. We all know we'll be in that same situation if we don't have the right number of scientists. So as my colleagues have mentioned in previous meetings, I guess --

>> That's a pretty -- we cannot -- we can't fund those positions, new positions we don't have the funding for. At the end of any given year, we have one percent of our budget left, we've never gone over budget and there's no way we can hire those positions with existing funding.

>> Tovo: But I guess you did bring forward a proposal to council. What was your -- I don't mean to put you on the spot in a difficult way, but what was -- what was the plan for keeping that work going? If there were additional -- if there were additional scientists --

>> As part of the review of our -- of our DNA operations, we realize that I think it's about ten days each scientist can effectively work -- ten cases each scientist can effectively work per month and when we did all the math in conjunction with outside experts, we've determined in order to not find ourselves immediately going back to a backlog, we have to add four new positions. We are in the process of hiring a scientist, just a very class act, I think one of the best in the country that should be here hopefully soon, I'll be meeting next week as final interview, but if we don't add those four positions, we'll wind up back where we're at. The structural deficit with the current workload as the police department.

>> Tovo: I guess that's my concern and that's emerged that if we don't have the staff we will certainly be in a position to continuing to have a backlog.

[10:18:39 AM]

>> And a supervisor is what's been proposed and that should help us keep the -- work on the current workload without falling behind again. One other thing I want to make sure people understand is that some of this backlog was an industrywide decision that was made years ago. Long before I was chief that nationwide certain cases were not -- were not -- were not processed and that's one of the things that we're working on is actually turning that around and having a different posture going forward, all cases will be processed.

>> Tovo: But these positions were not in the city manager's budget. I guess what concerns me they were not forwarded as the very highest priorities in amidst the other funding request for positions.

>> Good morning. Brian Manley, Austin police department. When we put the initial budget request request it was prior to having Mr. Garvey do the analysis in our lab. Having him come in, he was able to identify what the work flow looked like and the appropriate staffing -- it's seven and one. That's based on his analysis of what the actual caseload for a DNA scientist should be and that's ten cases per month based on the number of cases we take in and the current staffing in the lab right now, that was his opinion. So we didn't have that information when we submitted the initial budget request. It came to us through the work Mr. Garvey did for us.

>> Tovo: That's why the staffing proposal that came forward from the police included other ftes but not those positions.

>> Correct.

>> Tovo: Okay. Thank you.

>> Mayor Adler: Thank you.

>> Kitchen: Mr. Mayor?

>> Mayor Adler: Yes, Ms. Kitchen.

>> Kitchen: And I want to keep on everyone's mind that we have another or an additional way to help the department with this issue and that's to consider as we go forward whether it makes sense for you guys to put ftes in your forensic lab or if there's a way to work with the community like Houston has done that actually can bring more dollars in.

[10:20:56 AM]

Don't know if that will be a good idea. I don't know if you guys think that's a good idea but something to consider. Mayor pro tem, I want to make sure that putting these dollars in will translate either into ftes in the APD forensic lab or maybe at some point in the future if it makes sense for the community to work towards the kinds of independent lab that Houston has, if that adds the advantage of bringing additional dollars in, I don't know. So I just wanted to keep that on people's mind because we do have a good example that may or may not work for our community.

>> Mayor Adler: Mr. Casar.

>> Casar: Just for clarity now that we've aired this out, I've gotten a couple questions for folks so I want to make sure we're all really clear. While we received a grant and I appreciate us applying and receiving it, it's not just the grant dollars we're going to commit and prioritize within this fiscal year's budget the funding that we need in order to process all the sexual assault evidence kits between now and the reopening --

>> Mayor Adler: I think more generally we're just asking if the chief is going to be able to find the resources to be able to address the backlog.

>> Casar: And the answer is yeah?

>> Absolutely. But we do urge that we add the positions because we don't want to find ourselves going right back to where we began. And if our psa -- pas that we're going to be releasing are effective and the message we're going to keep putting out to victims that aren't coming forward that we are here for you, we believe in you, we urge you to come forward, we stand with you, I'm convinced that the current analysis of our workload can only increase. I don't believe it's going to decrease. It will just continue to increase.

>> Casar: Thank you for that reprioritization, it's important, and thank you to the advocates and especially the survivors for having brought it forward because I'm confident we wouldn't have quite gotten to this place without your help as well so thank you.

[10:22:58 AM]

>> Mayor Adler: Okay. Thank you very much. So with that kind of understanding about generally speaking the choreography as we launch this big ship, let's talk about the process I'm going to now go down to lane and Ed.

-- To Elaine and Ed. What do you think we should know at this point? Do I begin with a -- a motion first to adopt the manager's proposed budget?

>> I think so, but before that staff would offer some amendments to the manager proposal to reflect changes that happened from the time we delivered it to you on July 27th and -- and presentation.

>> Mayor Adler: Go ahead and do that and we'll make as our base motion the manager's budget with these changes.

>> I will say that -- I shared with you some of those changes at one of our earlier budget work sessions. We have a few others to offer and we have fairly extensive ones from Austin energy as you might expect as a result of the rate changes that council approved. So mark Dombroski from Austin energy will join me to cover those slides. So this is specific to item 1, there's a lot of items on your agenda today related to the capital budget, fee schedule, et cetera. I'm simply going to go through the amendments that staff would offer for item 1, the operating -- the city's operating budget. The items on these slides that I've highlighted in gray are things I've already talked about at the early budget work session. If there's questions about them, certainly ask, but we've already talked about them so I'm going to skip over the items in gray. The first being to add an environmental health officer to the health and human services. This will be fully funded by Travis county. It's part of an interlocal agreement that we have with them

and we just need to get that position added, and again, we'll be adding revenues from Travis county to off set it.

[10:25:02 AM]

We have funding in our planning and zoning department that we think would be a better fit in the parks and recreation department. This is a zero dollar impact. We're moving the money from planning and zoning to our parks department. Moving off of the general fund and looking at aviation, this isn't really amending the budget, but the city council -- this is an important priority to city council so we wanted to memorialize it here by reading into the record that the aviation department will be maintaining their summer internship program for high school students. There's no budget amendment necessary. They are saying they can do that within their existing budget but we want to memorialize it with an amendment. That takes us to Austin energy changes. I'm going to pass this on down the line to mark Dombroski so he can walk council through those changes.

>> Good morning, mayor, council.

>> Mayor Adler: I don't think your mic is on.

>> Good morning, mayor and city council, city manager. Mark Dombroski, chief unusual officer for Austin energy. On August 29th the city council adopted the rates for Austin energy for fiscal year 17. And as a result, we have made amendments to our budget I'm going to go over this morning. First, as you know, we decreased our base rate revenue and that results for our fiscal year 17 a \$21.8 million reduction in revenue. We have increase in our power supply revenue. This is a result of going to the seasonality in our power supply and that results in a \$1.4 million increase. We have a decrease in our community benefits revenue of \$166,000.

[10:27:03 AM]

And that is essentially as a result from changing the way that we calculate that to a system-average rate. We also have a decrease in our regulatory revenue. As you know from 13 through 15, we did not increase our regulatory rate to cover the expenses. When the power supply adjustment was able to decrease, we increased regulatory revenue to make up that shortfall. We've made considerable improvement in that and this reflects that decrease. Some of these are the expense reflection of the revenue changes I mentioned. Here we are increasing our power supply expense of \$1.4 million. We are reducing our nonfuel operations and maintenance expense by 4 million and nonnuclear decommissioning reserve by 2 million. For a total of \$6 million. That reflects the new rate structure we have in place. We are decreasing our operating expenses to reflect lower bad debt and commercial paper administrative expenses for \$3.3 million. And we are decreasing our debt service as a result of reducing our capital improvement plan for 2.2 million and total by 14.7 million. In agreement with the settlement we reached with the interveners and as approved by city council, we're increasing our energy efficiency program by \$2 million. We're also eliminating transfer to our strategic reserve and repair and replacement reserve for a total of \$19 million. We have no transfers to reserves next year.

[10:29:09 AM]

Again, we're talking about our reserves here. We're eliminating those transfers. We are, again, in agreement with the settlement we reached restructure our reserves where we will eliminate the strategic reserve, which had three components, the contingency, emergency and the rate stabilization fund. We'll consolidate that to a single contingency fund which we'll fully fund this year. We'll also create the Austin energy power supply stabilization reserve which will be fully funded at \$9 million. And

we're going to rename the energy -- Austin energy repair and replacement reserve to the capital reserve in which we will contribute \$3.3 million. Finally we will eliminate the emergency and the rate stabilization reserves there. You should have received a handout for our financial policies. That goes into volume 2 of our budget and it should be a red lined version. And these red lined versions reflect the agreement that we made during our rate review with our intervenors as adopted by the city council on August 29th. And again, that covers the changes I briefed you early on the changes to our reserves.

>> So mayor then the final was just an amendment to the city's debt service funds also related to Austin energy, but one of the ones I talked about last week. So that concludes staff's amendments to the operating budget and with that council could make the motion to adopt the city manager's proposed budget with these amendments.

>> Mayor Adler: And I don't know if we adopt the budgets, I think what we'll do, is there a motion to --

>> [Inaudible]

>> Mayor Adler: There would be an amendment.

[10:31:09 AM]

So it would also -- if someone would just move the manager's budget inclusive of the amendments we just heard, I think that would put the budget on the table. So is there a motion for us to adopt the manager's budget with the amendments that were just given to us? Ms. Pool makes that motion. Is there a second to that? Ms. Gallo seconds that. No? Someone second that? Ms. Houston seconds that. Okay. So that gets us now on the dais with the manager's budget with those amendments in place. Okay? We don't need to vote because that was the motion that was made.

>> Pool: I have a question.

>> Mayor Adler: Yes, Ms. Pool.

>> Pool: I actually -- okay, two things. I had some questions for Mr. Dombroski about the piece he just presented from Austin energy. And I just wanted to say I moved -- well, I didn't actually gesture to make that motion but I'm happy to do it so we can put it on the table and have it be a discussion. There may be somebody else who really wants to own it, but to move things forward that's fine. I did have some questions of the Austin energy staff. Is this a good time or do you want to do that later?

>> Mayor Adler: We could. If we could just do this last piece, then we're back to -- then we'll have everything kind of laid out.

>> Pool: Okay.

>> Mayor Adler: So at this point I would move to amend or change the motion in front of us, which is the manager's with those amendments, by laying out the changes on the page that I handed out. So that we have that base document in front of us. Is there a second to that? Mr. Casar seconds that. Is there any objection on the dais for using that as our point of departure to make changes to?

[10:33:12 AM]

Yes.

>> Tovo: As long as the assumption is we can go through on line item and alter and strike.

>> Mayor Adler: Without limitation to changing it a lot. Without objection, then, then that -- go ahead.

>> Could you be clear? We have lots of paperwork.

>> Mayor Adler: And again, it's just a point of discussion and I tried to identify the items. So what is being laid out here just as a framework includes many of the things that people raised. There is no expectation that we end up will be this or look like this, it's just a way to get us from here to there and have something to work off of. But what was handed out to you, collect some on the page that has sources of funds in the upper left-hand corner, it includes collecting some of the things that have been

daylighted over the course of our last month of conversation. There was some reallocation of public safety moneys, there was an unallocated balance in the community development incentive fund, unallocated moneys in the economic incentive reserve fund. That was the 5% staff said they were comfortable releasing now that they have the certified tax roll and there wasn't any uncertainties. It includes a partial delay of some of the library staffing. They are hopefully here today to talk to us about what that means. The equity assessment tool was being funded otherwise by a grant. This was the 10%, it's unclear on here because it's cut off, but it's the 10% cut in --

>> Gallo: And I wasn't really asking for a detailed explanation. I was just making sure we were all on the same form.

>> Mayor Adler: I'm sorry.

>> Tovo: I believe we're short a couple copies.

[10:35:13 AM]

>> Mayor Adler: Okay.

>> Mayor, it's the one that has Sunday, September 11th on top. Is that correct? That's the main question making sure we're all looking at the same form. As you are looking for additional copies, I really appreciate we had mentioned breaking out the categories into general fund and one-time other and I think that's very helpful.

>> Pool: Mayor, is it appropriate for me to return to the question I wanted to ask of Austin energy staff?

>> Mayor Adler: Yes, in fact we have several staff groups that are coming up. We have several -- while they are here, we can certainly do that. Without objection, then, we're going to work off that base budget. Now we've gone through the choreography and as recall recall, council, we had asked several different staffs to be with us today. And we can begin calling them up and asking them questions. Ms. Pool.

>> Pool: Mr. Dombroski, can you get us copies of what was on the overhead?

>> Yes.

>> Pool: I don't think we got a copy of what you were talking about. That would be real helpful. I do have a question and I don't have the document so if you could put back up there where you were reducing the amount of money going to the community benefit fund.

>> I just want to clarify that the presentations were passed out so they may be buried in your stacks of paper that I know you are compiling, but somewhere in there you all should have a copy of the power point.

>> Pool: I still don't have -- you probably heard that on Friday that we were looking to shift the cost to paying for the cost of some park sliding over to the community benefit fund.

[10:37:41 AM]

So I would -- I would be reluctant to reduce that at this time. And then I also wanted to find out from you, I am looking at a list of vacancies that are in Austin energy, and there is one in particular that is -- has been vacant for 1,363-plus days and it is an environmental services and operations compliance manager. And I just wanted to find out because there are a number of other vacancies that are in the hundreds of days. And knowing that the moneys that you have in -- stay within Austin energy, I'm looking to free up some money on vacancy savings that we could perhaps transfer over to the community benefit fund in order to pick up the cost of some of the parks lighting that is the mayor pro tem's item. I put something up on the -- I put a reply to herpes on the message board over the weekend. So what I wanted to ask you, and you don't have to do it right now, but if you could -- I think my list is a little bit old. I think my list was dated the end of June. So some of these numbers may have shifted or

changed, either added or dropped off because they have been filled, but I would like to ask Austin energy about the vacancies that have been unfilled for significant period of time and whether we might not be able to put a hold on those and whatever funds you have allocated to those shift over to community benefit.

>> Right. The first is the -- the community benefits charge total revenue, that's a revenue number that comes from the amount we charge the customers on their bills. So any vacancy savings would not increase or decrease that revenue. There's no connection between the labor savings and that community benefit revenue. So the -- the only way to increase that revenue would be either to increase the rate or somehow increase the number of kilowatt hours that it's multiplied against.

[10:39:46 AM]

>> Pool: So my question is, if you were to fill these vacancies, where would those funds come from?

>> That comes out of our operating budget and our revenues come from our base rate revenues.

>> Pool: So it may be a legal question whether we can shift the moneys from operating over to programs. And if you have to take it off line and look into that, I'm happy to defer the question until you can --

>> I can check with legal on it.

>> Pool: What I'm looking to do is shift the operating funds over to the program in order to use them for the lighting for the parks.

>> We would have to designate base rate revenue should be used toward the community benefits charge which is a pass-through charge and I'll have to get with Mr. Andy purney with legal.

>> Pool: As an adjacent question, if you could give us an update on these vacancies and maybe answer the question about the one that had been vacant for so long. What's happened with that. Maybe you just carry the titles whether you intend to fill them or not, I just don't know.

>> I will check into that.

>> Pool: Thank you, appreciate it.

>> Kitchen: This is just to signal that I would like to sit down and maybe some other councilmembers also to talk about an issue not for this budget cycle, but an issue that wasn't addressed as part of the rate review. There was at least one organization, aiba, that tried to participate in the rate review but were not able to for whatever reason. And one of the questions that they were intending to raise is something that I know you all have dealt with before and that has to do with the flesh hold that relates to -- threshold that relates to small businesses, the 10 to 20 a number of years back. I want to reopen that issue and sit and talk with you guys about that.

[10:41:47 AM]

I know there have been various changes that have been made in the past to help address the problems that the small businesses have had. And so at this point I think we need to go back and revisit the effectiveness of these particular changes and whether or not there's additional changes that should be warranted. I'm simply using this opportunity to let you know that that's something that I'd like to raise with you. It's obviously too late for the rate review, nor would I want to open up the rate review. And it's also premature for this budget process. So it may be something that we talk about over the next number of months and address next budget cycle or there may be some resolution that is easier than that. So I'm simply just using this opportunity to let you know as well as to let the public know that I've heard from a number of people that would like to have that conversation. So we will reach out to you to start meeting about that.

>> We could present that as a subject on -- one of the oversight meetings.

>> Kitchen: I'll talk to the chair and vice chair and that might be the way to proceed. Thank you.

>> Mayor Adler: Okay. Yes, Ms. Gallo.

>> Gallo: Thank you for the presentation and you kind of quickly went through all of the different numbers and amounts but I think it would be helpful for the public if you don't mind going through the numbers again and specifically pulling out the ones that were the result from the settlement agreement. Obviously Austin energy did a really good job and we thank you for it finding places to be able to reduce so that we could get the rate reductions across all the classes, but I think if you could do this and show us specifically, that would be very helpful.

>> As you know, our rates are separated into base rate revenues and pass-through revenues. And for our test year which was 2014, we reduced our revenue requirements by 42 1/2 million dollars and that was part of the agreement.

[10:43:50 AM]

So that's for our test year '14. When you apply those rates to our load and customers in 2017, that results in about a \$22 million reduction in base rate revenues. So this first line is a direct result of that rate review. The next line is the power supply revenue. This also came right out of the rate review. So we used to have seasonal base rates so we charged 1.8 cents for residential customer during the nonsummer months and 3.3 during the four summer months. We've removed that seasonality out of the base rates because it's not cost of service derived. However, we did introduce seasonality in our power supply which has more of a seasonal component which is cost of power often becomes higher during the summer months. So as a result although the power supply revenue actual rate changed, the number of kilowatt hours that's applied against results in a slight increase in revenue from the power supply. And again, that's part of the agreement. The decrease in the [inaudible] Revenue, this also is a part of the rate review in that we change the way we calculate components of the community benefits charge to an average system rate. This makes it more transparent between the various rate classes. Decrease in regulatory revenue, this is not a part of the rate review and this is because we had increased our regulatory revenue last year to earn the under recovery we had in that fund. We have made significant progress in collecting that revenue from our customers and as a result we're able to decrease that rate and that's what you are seeing in there so that's not part of the rate review. On the requirements or the expense sort of cost side, these are some just the opposite of the revenue piece so we have the power supply expenses increasing for the same reason.

[10:45:59 AM]

We have a reduction of \$6 million in our nonfuel o&m and demissing reserves, and this is a result of our right review in that because we had proposed \$24 million of reduction in revenue and we had to have 42.5, we had to make reductions to our operating budget as well as capital budget. This is where we are reducing costs out of our operating budget. The decrease in other operating expenses in lower bad debt is a combination of rate review issues as well as we are starting to see customers who are being coming -- staying current on our bills. So our bad debt expense across the city is improving. And so this is a reflection of those customers staying current on those bills and that's what was striking that number. Decrease in debt service, as a result of the rate case we had to decrease our revenue and so we decreased our capital improvement plan by almost \$15 million. And out of that about \$2.2 million we can reduce our debt service which is mostly associated with our capital or our commercial paper program. That is driven out of the rate review. The energy efficiency program in agreement with some of the intevenors we agreed to increase our energy efficiency programs by \$2 million a year without

increasing our rates. This 2 million is a direct result of that rate case. And as a result of having to reduce our operating cost as a result of lower revenues, we've eliminated the transfers to our reserves for fy 17. And so that strategic reserve and repair and replacement reserve transfers reflect that reduction.

[10:48:05 AM]

As a part of our rate review, we restructured our reserves based upon a study done by our consultant and so this slide simply shows how we're reallocating funds in our current reserves into the four reserves that we have. All of these are result of the rate review. This is just eliminating two of the reserves by name. This is memorializing those changes in Austin energy's financial policies. And this last one is not a result of rate review, rather this is just we received the proceeds from sale of the ecc, our control center. We're going to take those funds, stick it into a reserve and amortize it out over the life of that bond. And so we're complying with a council directive to use the proceeds of the property sale to off set the cost of the construction of our new service control center. That's it.

>> Gallo: Thank you.

>> Tovo: Mayor?

>> Mayor Adler: Yes.

>> Tovo: So just to get back to something that councilmember pool mentioned, it strikes me that depending on how the council responds to my proposal to include security lighting and increase that within that charge, the amendment may need to be adjusted for the community benefit charge. But I assume that's something we'll just need to revisit later once we've had that conversation today.

>> That would require a change in the language to the community benefits charge tariff that currently approves street lights and traffic signals.

>> Tovo: It was my understanding it could either be included within it or as a separate tariff.

[10:50:12 AM]

Anyway, we can have that conversation at the appropriate time.

>> Mayor Adler: Anything else for Austin energy while we're here? Okay. Do we have -- is chief Acevedo still here? I'm sorry, mayor pro tem.

>> Tovo: I do have one more question. A couple times you've mentioned moving money into reserves. Is that something projected for the following year?

>> Right, we're putting no new funds into reserve, we're simply reallocating into the additional reserves.

>> Tovo: I just wanted to verify that. Thanks.

>> Mayor Adler: Any further questions on Austin energy? Thanks. So I was going to call up chief Acevedo to talk about public safety budget. I don't know if he's still outside. Yes, mayor pro tem.

>> Tovo: Waiting for chief Acevedo, could we talk about some of the components on today's draft budget summary?

>> Mayor Adler: Sure.

>> Tovo: That are different from our last iteration?

>> Mayor Adler: Yes. So I think --

>> Tovo: What did we end up doing? Did we don't this as our base operating motion?

>> Mayor Adler: Yes. So what this has, it has -- as you can see on the page that has sources of funds, this iteration has ems at 100% implementation as opposed to to phasing that in. It contains some movement toward the senior exemption, but rather than the \$800,000 that it costs to go all the way to 85%, this has us only spending \$100,000 toward that.

[10:52:19 AM]

So there's some movement, but only \$100,000 of the \$800,000 that would require it to go to the full 85,000. It has us not paying for --

>> Houston: Mayor, could we put up on the overhead so the people who are watching can see it?

>> Mayor Adler: We can, and it's also posted on the bulletin board in case someone wants to access it that way.

>> Gallo: Mayor, I think mayor pro tem tovo suggested we do these item by item, but I think it would be helpful --

>> Mayor Adler: Not so much item by item as anything is up for grabs.

>> Tovo: I think we crossed that bridge when we incorporated it in there. I just want to be sure we have an opportunity to talk about each item individually and take an up or down vote because there are some pretty significant changes I see going to the rollback rate.

>> Mayor Adler: That was actually on the last time. The next is the camera issue so it has us not funding the camera issue. The building maintenance went from 10% up to 20.

>> Casar: Cameras are funded in this. You mean the phones.

>> Mayor Adler: Phones. Body cameras funded, phones are not funded. Building maintenance went to 20%. As you go down the list, it has us picking up a little bit of savings with the interim city manager and the shifts associated with that. It picks up the I.T. Governance down at the bottom there that mayor pro tem, you had raised. Issue. As you can see it has \$1.2 million from the staff presented options. I think those are the significant changes on the sources of funds. On the back page --

>> Tovo: Mayor, I do think it is significant sworn positions. I don't believe that was on the last version. The new sworn positions is also noted.

[10:54:20 AM]

>> Mayor Adler: Yes, it has the defunding the 12 new sworn positions.

>> Tovo: And I see now the chief is here.

>> Mayor Adler: And the chief is here I think to talk about those. Okay. This also has on the use of funds on the back, it calls out the \$800,000 for the cost of living increases for the existing social service agreements. It has the program administrator for food access, expanding the -- it has the -- I'm trying to think of changes here.

-- Trying to think of changes here. It doesn't have the full amount going to the housing trust fund, only half of the additional amount. The quality of life is set at 2.1, as I said earlier, it has the forensic lab. It has the housing -- affordable housing linkage fee that councilmember Casar raised orally at the end. And then it increases the general fund reserve level which is a number that will change as we move things in and out. I think those are the significant changes. Yes, Ms. Garza.

>> Garza: Another significant change is the job care continuity has been completely taken off.

>> Mayor Adler: That's correct.

>> Garza: And I just wanted to make some general comments if you are done, mayor pro tem.

>> Mayor Adler: Yes.

>> Garza: Okay. I appreciate the effort to use this as a baseline. I just have -- I guess going forward I have some real concerns about the way this process has been done. The charter requires the city manager to present a proposed budget and he does that, and in that -- it creates some hurdles for the council and not -- it's just by design, it's not anything against the city manager or city management, it creates hurdles for us to get our priorities back on that -- on that -- in that budget or where we start picking and choosing things.

[10:56:43 AM]

And essentially I feel like we've created another hurdle so we have the proposed city manager's budget and now we have -- and I understand, mayor, you listened to a lot of concerns that all the councilmembers have put forward, but now essentially we have another proposed budget in front of us where I know there's a lot of criticism about old councils and I know I've been part of criticism for old councils, but for me it was done in a much more equitable way in that councilmembers just started making amendments, they went through cuts, everyone took their turn making cuts and then they started adding stuff to. And it just seems a little bit unfair that we're working off a baseline that was I know everybody's consideration were taken into effect, but just another example is that item, the child care continuity, has completely taken off so now I don't know if now is appropriate time, but I will be making a motion to put that back on, but that being said, I think we need to start just making cuts. Someone start proposing cuts, let's start working through cuts and see how we can get stuff back on here. Because -- and the way things are labeled, for example, cost of living increase for existing social service agreements. That doesn't take into account that there's still 500,000 of unfunded current contracts. So right now there should be -- to keep it as is, no increases, nothing, would require an additional 500,000. That is not in the managed proposed budget. The 800,000 would take us up to allow current contract to increase capacity. It seems like the way things are labeled, it appears to be an increase, but it's not really and in fact this would only really be an extra \$500,000 for current contract and 1.2 increase for capacity building.

[10:58:46 AM]

So anyway, just --

>> Mayor Adler: And I certainly didn't mean anything pejorative by that. The prescription was the memo from health and human services so that's how they labeled that item. I just pulled in the label they had for that item. It was in the three different scenarios that they had and it was the first priority in each of the three scenarios. We have 48 pages of things on the concept menu. There were conversations we had but there were differences. And this in some respects is meant to just highlight those differences and perhaps save us six hours or ten hours or a day to get from here to there but everything on here is open and there is no consensus with respect to whether we fully fund ems, there is no consensus at this point what we do with the senior exemption. There is no consensus on what we do with health and human services spending. This was just intended as a way to ethics commission good us from here to there to have some -- some method to be able to do it. I. I have always been uncomfortable with councils where they go around in a circle and vote things out. A lot of times those council offices that were in the past able identify sources of money had a greater chance of getting things put on the agenda so that things were being put on the budget not necessarily respect to whether or not they were the best thing to do, but because a cut had been identified. And sometimes people have the -- they're willing to make a cut if they know where the savings comes from or how it's going to be applied. And I recognize that there are probably a thousand different ways do this and I am all ears as a council for us to come up with different processes to do that. And I think that with what the -- what Elaine has offered with work going as we start in November through April, my hope is that we'll be in a very different place when we move into the budget session next time.

[11:00:56 AM]

But by putting anything on here, please know that I intend nothing to get favored treatment or priority, and we'll stay here as a group to talk through every one of the issues and to be able to move back and forth on issues.

>> Garza: May I respond real quickly? And I appreciate that response, but there are things that have been fully funded by version 1 and they've been intended to be funded this entire way. And everything has seen cuts. So for me it feels like there are things on here that have been a priority and there has not been consensus. I want to make a point there are things that have been fully funded all the way through and some have continued to see cuts.

>> Mayor Adler: And those can be the first things that people want to talk off.

>> Kitchen: I'm comfortable using what the mayor has put forward as a starting point because I think it helps us otherwise how we think. As long as we're doing, as councilmember Garza suggested and others have suggested, we'll look at each item and consider whether or not we want to keep it or not. But I do think it's a good way to proceed and I appreciate the mayor putting it forward as a way to organize discussion. So if I'm hearing -- if I'm understanding correctly what others have talked about doing is if we can use this document as our starting point for discussion as well as there's been a couple of other documents passed out, mayor pro tem tovo, for example, passed out a document for additional cuts to consider, for example. If we could work off of that side first and go over and work off the side where we want to add, maybe that will balance the -- balance all the ways that have been brought forward to proceed.

[11:03:00 AM]

>> Mayor Adler: Yes, yes.

>> Pool: I signed on to support the [indiscernible] Initiative and I know that was coming in at option 1. My question is that not existing social service contract?

>> Mayor Adler: The childcare continuity had the three levels --

>> Tovo: I just couldn't hear and it couldn't capture you on the transcript. I couldn't hear what initiative you were talking B.

>> Pool: So my question is the childcare continuity contract, that is an existing -- is that an existing contract?

>> Mayor Adler: I'll tell you what --

>> Pool: Because the answer then it would be part of the additional funding that continues and this item number 1, which is the increase for existing social service agreements. That's all I'm trying to establish.

>> We have health and human services staff here. We'll have to get them into the room to answer that question. Hopefully they'll be here shortly.

>> Mayor Adler: Before we call health and human services staff let's call public safety because they need to leave. Let's call public safety. Other departments we've asked to be here are health and human services, library staff, development services, the ctm. So we have all those departments that are here to answer questions across the board on all these. Chief, if you will come up or public safety will come up. So again I want to thank you for the news this morning that you're going to be able find the resources to be able to take care of the backlog on the kits. I want to thank you ask questions. There's a trial balloon or one possible itgation of the public safety budget.

[11:05:02 AM]

That would contain the following elements. And I want you to comment on this package so that the council has that and then I'm sure there will be lots of questions about other iterations and other scenarios and the like. But one package has the proposals that were made but it would authorize, but not fund the 12 sworn positions that you had requested. By authorizing them and not funding them, that means if you were able to find the the money over the course of the year you could fund them as you saw appropriate but they would not be funded at this point with additional money. It does not

change the 22 unsworn -- sworn -- no, unsworn positions or its other four unsworn positions. It adds 1.4 million to create a forensic lab, and it continues to fund body cameras as you have been rolling that out, but it does not fund the iPhone purchases. It continues to fund the sobriety center, but I think that there was some conversation about the sobriety center being moved to your department. The manager wanted to speak to that because he didn't think that that was the appropriate thing to do. So manager, do you want to address that issue?

[11:07:05 AM]

>> Ott: I'm sorry, did you call on me or the chief?

>> Mayor Adler: I'll let you talk about that first. First, talk about that package and --

>> Kitchen: Mr. Mayor, I'd like to make a comment or two before the chief speaks.

>> Mayor Adler: That would be fine. So what I would like to know -- list a lot of questions for you. I want to know how that package goes overrule. Second I want to talk about whether the sobriety should be in your budget or not.

>> Kitchen: I would like to speak to the first part about that, about authorizing the 12 additional. That is - I've been talking about that. That's in the context of going ahead and funding and authorizing the -- I think it's 21 civilian right now. Understanding that those -- that will then switch out so you will be authorized and funded for additional sworn officers to get on the street as soon as those can be done. Some of them you may have to fill with new people, some may have been a transfer. I'm not certain. That's in that context. It's also in the context that you have some cadet classes that will be finished soon, maybe 70 folks coming out -- sworn officers coming intuitive to be on the street and that your -- coming out to be on the street. And that your next cadet class that will have about 110 also, those are funded so those sworn officers could hit the street next summer. I'm mentioning this because I want you to understand and I want the public to understand that I think it is important to continue to put additional sworn officers on the street that we need that. And that my thinking in bringing forward the proposal to authorize the 12, but not fund, is simply to help thus this budget year and my understanding is it won't have an impact on how many officers we're actually able to get on the street this year.

[11:09:09 AM]

I wanted to set that context because we haven't had a chance to talk about that.

>> Mayor Adler: Anybody else want to frame the question before the chief starts talking?

>> Pool: I wanted to reiterate the need for the officers. So the effort that councilmember kitchen has initiated is it to authorize the ftes, to support the hiring of civilian officers to take over the community policing portion of the position that currently patrol officers are now handling so that they can get back on the street, and then move forward a planned implementation of the matrix recommendations. And I'd be happy to work with whatever ad hoc group we put together to, and with you, chief, to target how that would occur over the next 12 months for plan for implementation. We would allocate the ftes to you, we would have civilians coming in to free up patrol officers so they can get back on the street and we would have the community policing implementation plan of the matrix recommendations.

>> Kitchen: I think that would put close to 200 officers, depending on how the recruitment goes, but close to 200 officers on the street this year. So hopefully that's the case. Oklahoma. Mayor pro tem?

>> Tovo: I assume we're going to hear from the chief on that subject, not because that it's funding related. The proposal I put forward about the sobriety center has no fiscal impact. I don't want them to be captured as one package.

>> Mayor Adler: Right. It was just the issues that had been brought to me as -- we're sitting here, so talk about the package first and then we can talk about the proper funding place for that.

[11:11:15 AM]

So chief?

>> Good morning again, mayor, council, city manager. Basically what I think what was just described is the package would include -- authorize all the positions that the city manager placed in the budget, which basically is 21 civilian positions that are not going to take over community policing because I think some of your constituents may think we're getting rid of drs. The officers are currently doing some of the training functions, things of that nature. So they can be leased. The four conversion ever part-time civilians to full-time civilians. And the 12 I would assume that if we are able to find the funding as a police department we would probably look at it sometime next summer. And we always try to be good stewards of our budget dollar. If we can identify it, our intention would be if this is what passes is to by design keep tightening that belt to hire those 12 positions so we don't lose that. It's 200 officers, but we have been losing officers through Normal attrition. So I think we could make that work and try to make that work. The piece on the cameras, I'm really hopeful that you will go down that path. We all made a commitment, the city manager, the mayor and this council to this community, to have the cameras, so I'm to see that's not going to be delayed because there's a huge desire from that. Not just from the community that we serve, but also from the officers that we led as a police department because we believe that it will capture police departments doing -- police officers doing the right things the vast majority of the time and it will add to the context of the incar camera. I think it's about \$700 for the cell phones. We hope at some point we'll be able to identify funding in the future, but I don't think the sky is going to fall.

[11:13:16 AM]

It truly will add a lot of efficiency and free up time in the future. And what we'll do on that piece is our grant writers will look and see if we can find a grant to actually support that, especially in light of the fact that we are moving forward with the cameras. So if we can make everything that you just described happen, I can tell you that I can certainly -- the community and the police department we'll work diligently as a police department to make it work.

>> Mayor Adler: Thank you. Any questions?

>> Houston: I have a quick question. Chief, the current sworn positions that will be moving back to patrol, will they have any kind of training to help them move back to to patrol before they get on the street? And are there -- I think it's 21 that may be close to retirement and do you expect them all move to patrol or might some of them retire?

>> I couldn't hear that last part, councilmember?

>> Houston: Retire.

>> I don't know. I can't predict what some folks might do, but if you have a badge and gun, presumably you could do any job on the police department. I don't think we'll have a bunch of people retiring out of the 21 because they're being moved to patrol. Haunt but we understand that anybody with a gun and badge can do policing, but we're talking about doing something that they've been --

>> There's always -- any time anybody has been out of patrol for a significant period of time, before they're placed back into patrol operations there are some additional training and refresher courses to go through.

>> Houston: That's what I was asking.

>> Just like our detective backfill we'll been doing, we've been putting people through and providing them with refresher training if they need it.

[11:15:16 AM]

>> Tovo: I want to underscore what I thought I heard you say is providing the positions and belt tighten. And when you are at the point of where you can hire them you will during this fiscal year.

>> In a perfect world I would rather have both, but we're soldiers and we will do our very best to make it work. That's what we get paid do is to carry out the budget plan that you all authorize.

>> Tovo: We're in the process of authorizing it so I'm sort of asking if these are changes that you support.

>> Yes. I do support them.

>> Mayor Adler: Mr. Renteria.

>> Renteria: Chief, I want to thank you for thing do. I know it's a sacrifice. I've worked with the police department for years -- decades really and I know how important it is to have police officers fully staffed. I'm kind of disappointed in the community when they say don't fund the police officers because they're all just -- they basically labeled the whole police department because of a few bad police officers out there that I try to see myself into positions like that where you're trying to run from one call to one call and that puts a lot of stress. A lot of people don't understand that. And they don't understand that police officers are human and they make mistakes. I did too when I was running from one call to one call and I know the frustration that comes. I want to thank you for the work that you're doing.

>> Thank you, councilmember. We appreciate your advocacy and your partnership on behalf of public safety over the years as a member of the community and on the council.

[11:17:21 AM]

Appreciate it.

>> Mayor Adler: Any further questions or anything people want to discuss about public safety? Police issues? Thank you very much. Ms. Gallo?

>> Gallo: There was something put on the dais and I'm curious who it came from, and it says Sunday 911 if we were to raise one million?

>> Mayor Adler: So this was a sheet that originally came from staff. This is a response to the question would you identify additional cuts? They're version of this sheet totaled \$3.8 million. If you add up the gf amounts that's shown here it totals just about 1.1 million. Because there are some items that say omitted, so they weren't in the 1.1 total. But anything that has an omitted one has to left a description, the dollar amount that was taken out. Between those two you can see what came from staff.

>> Gallo: Okay. So the standalone that has 911, if we were to raise one million, is in addition, but coming from your office in response to the staff 911 email that we received.

>> Mayor Adler: That's correct.

>> Gallo: Thank you. Just trying to pull all the pieces together.

>> Mayor Adler: Something that in essence zeroed out on the budget. Mr. Casar? Scar and if we're trying to signal where we'll be working on budget writers before we move on from the public safety piece, I would like to signal that I'm happy to work with the council, the police department and some of the advocates that have come forward because while it seems like we're getting to a good place on the appropriate budget amount for this year, I think it is important for to us work together with community members and with the department, especially on recommendations related to training and recruitment and other issues that we've received from the matrix report along with some of the community recommendations from the Austin justice coalition and others so that we can set up a public process hopefully between here and next budget year so that before we're considering the budget amount for next year we could have had some of that context.

[11:19:42 AM]

I know we can't make all of that progress in one year, but hopefully we can make some and in my conversations with both management and the department and community, that sounds like something people are open to do. So we'll work on a draft for that.

>> Mayor Adler: Okay. I think that's a good point. So there are several things I think that relate to budget writer and one that doesn't. In addition to talking about the matrix implementation issue and the work that we want the department to do over the course of this year with respect to the matrix implementation, we also talked about having a budget rider that raised the issue to the forensic lab that we're funding as to whether or not that should be in-house or whether it should be independent like in Houston and set up some kind of process to be able to determine whether that's right. And I would also raise, as I did a few weeks ago, I really do think that following this budget process we should have a conversation about what public safety spending looks like over a five-year period of time. So that we actually have a direction we're moving to and we're not considering ad hoc kinds of things over the course of a year, so we actually Salome plan.

-- Actually have a long-term plan. So identify those three things. Anything else for police chief while we have him here? We'll now pull up a different department.

>> [Inaudible].

>> Mayor Adler: Do you want to talk about the sobriety center?

>> Ott: Thank you, mayor and thanks, mayor pro tem, for reminding us of that. And I guess the point that I wanted to make is that both the chief and I think that having the sobriety center within A.P.D. Really miss places it. And you know, it's really not part of their core mission and they don't have the subject matter experts within A.P.D. To provide the oversight and leadership for that kind of function.

[11:21:55 AM]

The only other thing I would say is when it comes to organizational structure and alignment and trying to do things that takes advantage of synergy opportunities, I think that's provided, that's typically exercised by the city manager's office. I see this both as a management and an operational issue. So want want to -- so would want to preserve the prerogative of where it is best placed at this time. We believe it is best placed with health and human services.

>> Tovo: Mayor? City manager, can you tell us, remind us who the acm is who has been most involved in overseeing the sobriety center to this point?

>> Ray Arellano. He oversees our public safety agencies E A.P.D., A.F.D., E.M.S. And others.

>> Tovo: And I appreciate that we've had staff from health and human services as well as the police department involved. It seems to me at least in the recent incarnations we've had or the recent discussions we've had the most involvement from the police department, which again I appreciate because I think it will have an enormous impact on the work that the police do. And as we see savings in our city budget I believe we'll see them in the public safety budget, probably before and maybe in excess of what we see in our health and human services budget. So it has no financial impact on this year's budget. We could certainly have a lengthy debate and we've already heard the chief, who shares your opinion on moving it over. I'm glad to see it funded. I think it is a priority for the city and I'm glad you included it within your proposed budget. I'm not sure I really want to have an argument here within the course of our budget hearing about who's prerogative it is to make a policy decision about what department it falls into, but let me say I think either one is appropriate and it seems to me public safety is the more appropriate.

[11:24:09 AM]

I've made my points on that front, but I guess I would ask my colleagues if we don't have that discussion here, I think it is -- I think it is a legitimate discussion to have.

>> Kitchen: Mr. Mayor? I think that -- you know, this is one of those areas that sort of combines the -- it's a really good example of how preventive kinds of work that really usually falls into health and human services category can help our public safety so that's why we're seeing this overlap between health and human services and public safety. And I really want to thank mayor pro tem for the work she's done on this. I'm comfortable with it under health and human services. I think that having our acm who has done all this work on it involved, continue to be involved, would be very helpful, particularly during this transition. So if it does become something that goes under health and human services, including Mr. Arellano and in this, perhaps this would be a good circumstance in which to do that because he's certainly very familiar and done a lot with moving that ball forward. That may be one way to get at the mayor pro tem's concerns while moving it into the department which really I would have to agree on balance is where it belongs in the long-term.

>> Garza: I think as we talk about the need to change the paradigm of how we police and making STAAR we're owe that we're recruiting folks that understand the job of a police officer is extremely complicated and it's more than law enforcement, it's getting into the community, understanding what causes crime, and I'm sure we do that, but I think this is a good step to do that if the sobriety center was in public safety to see that -- for our officers to see the connection I think is important.

[11:26:35 AM]

My experience as a firefighter you go in to want to go in and fight fire and 80% of your calls are medical. Is and I think that that was eye opening as a firefighter and it changes the way that you approach the job. So I think that would be a good move, moving forward.

>> I think I agree with that nexus, but I don't think it is solved, necessarily, by a structural issue which is really what this is in terms of where you place the function of sobriety center that we're talking about. I think it may go to a training issue in terms of whether we're talking about health services or another element that I've talked with the chief about and the training curriculum and it has to do with the history of policing because that history if you understand it explains a lot about why people, in some cases, respond to policing and law enforcement in the way that they do. So in regard to that issue and in with regard R. Regard to the issue that we're talking about now, I think there is that nexus. I think it could be accomplished in other ways in terms of mod figure the perspective of our officers through training. And when we hire them and send them through the academy and that's another conversation that the chief and I have had. Bronc a structural change like this necessarily accomplishes that. I don't think a structural change like this necessarily accomplishes that. And I think it's appropriately placed with health and human services.

>> Mayor Adler: Ms. Houston.

>> Houston: I have vacillated on this issue on where is the appropriate placement. I want to be honest about that since it's come up. But I remember the last time we had a conversation about all the things the police have to deal with because of systems, not funding substance abuse beds, behavioral health units in a manner have pushed all of that down to the city level.

[11:28:47 AM]

This may be one more example of we're asking them to do so much in the human services field when they're supposed to be keeping the police -- keeping the peace and doing more community policing. Right now I think it's probably better in health and human services with that interaction and the training

that needs to happen, but I'm not sure we need to put in another human service component into their bailiwick so they're responsibility for the sobriety center. But I'm listening.

>> Mayor Adler: Any further conversation? Mayor pro tem.

>> Tovo: I would echo a point that was raised earlier? I think regardless of which budget it falls within -- and I want to remind everybody the concerns we heard from the police department when this first came about about having that expense within the public safety budget because it makes the public safety budget look larger. In any case I think regardless of where this -- what the decision is owe I believe it's critical for assistant manager Arellano and other place involved that have helped bring us to the place we are this week in moving forward with the sobriety? I think it's critical that they stay involved because if it's going to be successful it really needs the support of both our health and human services staff as well as our police department. And so I hope that that will be the direction that our management takes to continue that really intensive involvement with our police as well as with our health and human services staff. If we succeed it really involves and will require efforts from both of those departments.

>> Mayor Adler: And while we've had a conversation with differing opinions, I just want to mark and thank you, mayor pro tem, for your leadership on the sobriety center issue generally.

[11:30:49 AM]

I know this is something that you've been involved with and advocating for for some time now, joined by some of our colleagues on that working group and it's exciting to see that that happened and that kind of intervention becoming part of the policy and structure of our city. So thank you. Anything else on public safety? On the police? Okay. Thank you. Does anybody have a burning desire for a next department to come up? Do we want.

-- I think there were some questions about the library Bart. We want to have them come and talk to us. Yes, Mr. Zimmerman?

>> Zimmerman: Thanks, Mr. Mayor. I put out a yellow sheet that says budget amendment. It deals with ctm.

>> Mayor Adler: Let's call ctm next after library. I know that the mayor pro tem wanted to be -- I saw that. I meant next after that. But then I know -- oh, there's the mayor pro tem. So --

>> Morning, mayor, mayor pro tem, council, Brenda branch, director of libraries.

>> Mayor Adler: Would you talk to us -- there's on something that was discussed was -- there was an original concept menu that talked about central library, staffing issues that had a-million-dollar number. In conversations with -- I guess work that was done by staff, Mr. Van eenoo that number has been reduced for that line item to \$580,000. And I want you to discuss that and tell us what that is and tell us if -- how onerous a change that would be.

>> That 588,000-dollar item that you see on your list is deferring positions from October -- from hiring in October to hiring in February.

[11:32:52 AM]

That is manageable for us because the building, as you know, will not open until may now. And that gives us from February to may to hire and to train the employees. So that is manageable for the library.

>> Mayor Adler: Okay. Thanks very much.

>> Tovo: Thanks, that's very helpful.

>> Houston: I have a question for Mr. Van eenoo.

>> Mayor Adler: You had a question on library? Okay. Ms. Gallo.

>> Gallo: So I have a question because I think in the presentation that your department did to the library commission earlier in may, there were three projects that were on the list to be done and one of them is

in district 10, which is the old quarry library. Which we have some pretty substantial issues with asbestos and A.D.A. Compliance there. And we had someone from the neighborhood come in and talk to us and count about concerns with that. Can you help me understand when we go from three that were mentioned to two that were actually put in the budget, what then happens with the third that was obviously in that top priority list? How do we handle that if we don't address that within this year's budget, how do we make sure that it is done or is it something that we need to address in this budget or do we have other options, I guess is the question that I'm asking? Because obviously it was the top of the library department's budget -- not budget, but conversation and priority list. I wanted to make sure if it drops off that we have some ways to address that.

>> There were actually six projects that we proposed for the cip consideration this year. We were funded for two. And when we review all of our projects and we put them in priority order, it's based on criticality.

[11:34:57 AM]

The first two items on the first are by far the most critical. The first is an A.D.A. Improvement at the little walnut creek branch priority and that is a legal mandate that we provide A.D.A. Access to our facilities. Currently we have a problem at the little walnut creek branch that will be remedied by this championship. The second is the reroof of the second library and obviously with the roofing issue where we have leaks all the time, every time it rains, the contents and the facility itself are in jeopardy. So those were our two priorities. The next priority issue, as you mentioned, was the old quarry renovation. And there is not an asbestos problem currently. When we go through the remediation of the building, we have to take very great care so there's an additional expense to mitigate the asbestos during that process. But it's not a problem currently. And it will remain on our list as a request. We can't do it within our budget so it would have to stay a cip request.

>> Gallo: And how does the cip request work? Is it on next year's budget? Is there any opportunity for -- I think we were talking about some co's on some road projects. Perhaps, mayor, is there a potential to add that to something like that?

>> Unless something happens between now and next budget process, it will stay as a top priority for next year's submittals for cip projects.

>> Gallo: Is there typically a dollar amount you look at as being the funding for that each year as part of the budget?

>> I believe that \$696,000 -- I'm sorry --

>> In regards to the funding question, for a general fund department like the library, most of their funding, per council's policies, come from voter approved public improvement bonds.

[11:37:02 AM]

Bond programs. So the library has the bond dollars that were approved by voters in previous bond elections and those are the monies they're looking to expend in alignment with whatever expectations were set in that bond program. Now, the bond programs never fund everything in the department. They don't fund every capital need, so the other source of funding is typically cash funding things. So we could transfer money from the operating budget to the cip to support additional projects like the one that Brenda was just discussing or we can issue cos, but there are council policies that guide when we issue non-voter approved debt. And without going into all the details, the short story is that council's policy say that your priority is to use voter approved debtor cash whenever possible and only in limited circumstances would you use non-voter approved debt. So like this the quarry library we would be

looking for any exam capacity within the approved bond programs or looking to fund them if that was a priority of the council.

>> Gallo: So do we know the amount that's left over from previous band R. Bonding in libraries to know if there is -- I know we're doing this within I think it was the 2012? The projects that we're --

>> I don't know. We can get that information for you quickly.

>> Gallo: So that would be the next step is to see if there's any additional funding left within that, but it would not be something that would be approved this year. It would have to wait until next year even if there was funding capacity left.

>> If there's funding capacity left the council could appropriate funds this year as part of the process we're doing right now. I don't know if there is funding capacity leaf, if all the dollars were put to other projects, but not appropriated yet. Typically that's the case. If you do something new, you take something away from a project that's expecting the money.

[11:39:05 AM]

There's always needs beyond what the voter approved programs allow for.

>> Gallo: Always. Thank you.

>> So we can follow up on on what the status is of previous bond program, how much money is left unallocated and if there's any monies that could be reallocated to this project.

>> Gallo: Thank you. There's obviously a lot of interest in trying to work on this particular project. And I think because of the discussion that was before the library commission there was a level of expectation out there. So just trying to find if we have some alternative sources to be able to help move us in the direction, even if it becomes -- and I know the fact that we do have asbestos in the building that it makes any renovation that much more expensive, but if we are able to start on something or even split it over a couple of years I think that would be really helpful. So thank you.

>> Mayor Adler: Okay. Anything else for library staff? Thank you very much. Ms. Houston, did you have a question for Mr. Van eenoo?

>> Houston: Mr. Van eenoo, I'm trying to make sure we don't get ourselves in the same position as last year where we're funding a part of a budget item for partial year and then next year we'll have to fund the whole thing. So help me understand if we're creating another problem for us next year.

>> So we're going to be tracking that. So that tracking is dependent upon where you land. Right now you're talking about a lot of things. But when it starts to co-less we would want to report back to council what that co-lesing looks like -- coalescing looks like. Right now we know that budget that staff delivered to council was structurally sound and sustainable. Albeit with a tax rate projected for 2018, we predict there would be enough revenues for 2018 and beyond to be structurally sound and sustainable. That changes a little bit when the new ae rates were changed.

[11:41:08 AM]

With the new ae rates that significantly lowered their revenues, which then plays into the general fund transfer calculation. So with that change right now our projections are that we'd be slightly out of balance in fiscal year '18. I don't think anything to be concerned about, I think an out of year balance is what we're expecting on a 950-million-dollar budget and there's a lot of moving pieces. But as that-million-dollar gap that we're projecting for 2018 grows, obviously we would be more concerned. Things like not funding the 12 officers in the police department this year, but funding them fully in fiscal year '18, obviously there's a cost to that. We would need to take that into account and build it in. It's somewhat dependent upon what council chooses to do with the money that's freed 'U you free up some money by not allocating those positions this year. If you Cal indicate those monies that you freed up to

ongoing purposes then we need to build that into our '18 forecast and it starts to make the situation look bleaker. But we'll be monitoring that. We intend to provide you with a report, you know, that kind of would tell you that answer, the answers that you take as you move from where you are now to a proposed budget, we would certainly want to take a moment to explain to you what the downstream picture looks like so we don't end up in this situation again.

>> Houston: Thank you.

>> Mayor Adler: Okay. Anything else from library staff? Thank you very much. What about -- is don.

>> Zimmerman: Here or -- don Zimmerman here or gone? He wanted to talk about ctm.

>> [Inaudible].

>> Mayor Adler: So let's bring up ctm stuff. So a couple of things we're going to need for you to talk about if you can, there is a ctm reduction shown in this that's concerning the data center.

[11:43:24 AM]

Move to fiscal year '18 and postponing the smbr project and talk about those two things and how onerous those are. And commitment has a budget -- and councilmember Zimmerman has a budget amendment that I don't know if you have a copy of it. It's the yellow page --

>> Zimmerman: Mr. Mayor, I have one for the overhead if they would like to put it up. There it is right there.

>> Mayor Adler: We'll want you to address that as well.

>> Zimmerman: And Mr. Mayor, it does -- some of the savings in this amendment may already have been captured on your sheet that you just referred to, the 520,000 that you just referred to, I believe is part of this 1 million and 5.1 million from other funds.

>> Mayor Adler: Why don't you first talk to us about the data center moved to fy'18 and the smbr project and then we can address the other --

>> Sure. I'm Steven Elkins, the I.T. Director at ctm. The data center, we talked about this earlier this year when doing my budget briefing. Our data center is pretty much getting to end of life. It's over 25 years old. The data center when it was designed was state-of-the-art. Today it's not. We had an assessment done by Dell to come in and assess the risk of continuing to operate our current data center. The recommendation was that the longer we wait to relocate the data center the higher we risk something bad happening. Our data center houses all the city's -- the majority of the city's computing so in turn if we do have a major outage at our data center, in a sense the city could shut down for technical reasons. So we have been proposing that we do a data center relocation and we put together a proposal that is sound working with another third-party.

[11:45:25 AM]

So the funding that we're requesting in fy'17 is for us to do the planning and start some of the moving and then moving completely to this co-location data center in '18. So what we're proposing for part of the reduction is to shift some of the costs from '17 to '18. We're not requesting that we cut the -- cut it completely, but that we just shift the cost from '17 to '18, while continuing to make progress to relocating our data center.

>> Mayor Adler: Okay. So are you okay with the 520,000-dollar reduction?

>> Yes.

>> Mayor Adler: Mr. Zimmerman, you had an additional question you wanted to ask about?

>> Zimmerman: I had a additional request from council. If I'm the director of ctm I don't want my budget cut, I got that. But the amendment that I've put forward for consideration by my colleagues seeks a request of council's supervisory role to look for these additional savings. So if you would approve this

resolution, little brief resolution. It's just one long sentence here. It would request that our departments free up additional money this year -- to free up an additional about half a million dollars. And we had some other 5.1 million identified in other areas. This goes back to budget concept menu of 2.0 we discussed this before, but we never got to a vote or resolution from this council. So this is not something new, it's something that was on the budget concept menu that just kind of fell off or we just didn't get around to deliberating on it. I would like us just to move that forward. It's my belief that the departments could find these savings.

>> Kitchen: Mr. Mayor? I have a question related to the data center. So I apologize just for not being completely up to speed for our plans on that. So that means that we have a data center as opposed to a contract to have our data hosted somewhere else?

[11:47:29 AM]

>> That's correct. We physically that we own that houses our equipment.

>> Kitchen: I'm sure there was an analysis a long time ago about that either costing us less or needed for security purposes as opposed to contracting for it being hosted?

>> Are you asking me about onpremise versus hosting?

>> Kitchen: No. If you could explain to me why we are paying for a data center as opposed to contracting with an existing data center?

>> The recommendation is that we would go to a co-election. So we would then lease space -- we would not own the space, we would lease the space. We would eventually be positioning ourselves to actually utilize the cloud more. But this would be the first step.

>> Okay. So my second question related is -- but I think you answered it. I originally wondered why this wasn't a big kind of cost because I was thinking more that we were purchasing this something. It's a lease.

>> Right. What you see a lot of government agencies are doing, there's facilities around the country, that's all they do is provide space for data centers, they have the redundant power, the generators, the cooling. We're just proposing we go to one of those facilities.

>> Kitchen: And the 516,000 is lease cost or cost of moving?

>> That's cost of planning. And that's not 100% data center, that's partial data center and partial small minority resources application for their compliance software. So I think 300,000 of that is for the data center and the other 180 or 200,000 is for the other solution.

>> Kitchen: Okay.

[11:49:31 AM]

Thank you.

>> Mayor Adler: My hope is -- we have a lot of id needs throughout the city. As you talk to the departments, every department wants to change the billing system or upgrade the accounting or processes. I'm hoping that's something that the citizens bond commission takes a look at in this next bonding review.

>> Absolutely, mayor. As I presented earlier this year, we're seeing more and more the city departments are relying on I.T. To deliver city services. You do see a request for increase in cost of I.T. It's for the cost of delivering services to the citizens.

>> Mayor Adler: Mayor pro tem?

>> Tovo: I just sat down. There was an item that and in the modern memo from our -- memo from our city staff that I think was a ctm issue and I'm struggling to find it in your department. It had to do with surveying austinians about technology needs and access which apparently we have a goal of doing every

three years. It was maybe \$55,000. Does anybody remember seeing that. Here it is. I think it's called -- I'm sorry, it's \$75,000 and it's the residential technology survey. Mayor, it looks as if the 1.2 that you put in the summary does not include that, is that right?

>> Mayor Adler: It would have us cutting the 75,000-dollar item. So that's a good question to ask. Thank you for asking.

>> Tovo: To me just based on what I read, that seemed like something we could just extend out and do another year. And I just want to get Ms. Hawkins' opinion on that.

>> Good morning. Rondella Hawkins, communications and regulatory affairs officer. Yes, the residential technology survey or the Austin digital assessment is a survey that we conduct in every three year intervals, but by delaying it for one year we foresee we would be able to continue providing programs and services to address the digital divide and provide digital inclusion opportunities and there may be some opportunities and other means where we can ascertain -- the survey is very comprehensive.

[11:51:54 AM]

It has a lot of questions and it's -- that's something that we can probably replace with another city survey. But we -- it would be manageable for us to delay it by one year.

>> Tovo: And I appreciate you saying it won't impact the great work the city is doing in terms of digital access. It would simply delay the information to see in essence where we might need to focus or how we're doing in closing that divide. Thank you.

>> Mayor Adler: While we have you here, there's another one on that agenda, which was the self-service password reset software. Because the list of the 1.2 also includes \$250,000 to delay that project. How -- do you want to talk to us about that?

>> Sure. One of the things that was asked last year when I was here is that we try to provide similar service that staff -- that folks use in their Normal business -- Normal daily lives. So one of those things is password reset today, one of the things with a password reset. You're sitting the help desk -- you're submitting the help desk ticket, you're engaging to help with a password. Right now 50 to 60% of help desk calls, nationally, are password resets. So this provides us a tool that would allow for faster password reset functions and then it would allow staff to address some of the other pressing issues. So again, it's not something that if we don't do it -- I mean, we still have the process we have today, which is a manual intervention of calling somebody versus the way you would do it if you were at home.

[11:53:58 AM]

>> Mayor Adler: Okay. Any other questions while we have ctm here? Pitched and then Ms. Houston. -- Ms. Kitchen and then Ms. Houston.

>> Kitchen: I don't know if this is in your department. It's listed under a different department but it sounded like an I.T. Thing to me. That's the idea innovation accelerator. Is that a technology tool or not? It's not?

>> It is not.

>> Kitchen: I'll address that question when we get to it then.

>> Mayor Adler: Thank you very much.

>> Houston: Mayor, just --

>> Mayor Adler: I'm sorry, Ms. Houston.

>> Houston: I had a question about the password reset software. So is this outside of the Normal ability to reset our passwords. Because it pops up and says you have five days to reset your password.

>> Yeah, that's when your password expires. But if you are at your computer and you forget your password, you have to actually call the service desk to have somebody help you with your password or if you forget your password on your voice mail you would have to call somebody. So the password reset what allow you just like if you're -- like online banking and if you forget your password, it says here are some security questions, answer the questions and then we'll send you an email and it will allow you to reset the password.

>> So this is for the phone and the computer?

>> It's for the computer.

>> Houston: Okay. And we couldn't -- you're saying that the reason you would not be amenable to this is because staff is spending a lot of time now helping people reset their passwords.

>> Sure. I would guess that over 50% of our calls are password resets. So the service desk --

>> Houston: Just because I've never used it so I don't know why that would be such a big --

>> Most service desks, they see this across consultant that it's around 50 to 60% of calls are about password resets.

[11:56:02 AM]

>> Houston: But we could delay that until next year without any --

>> We would just be business as usual. We would take calls and reset the passwords and work with the staff.

>> Houston: Okay. Thank you.

>> Pool: Mr. Elkins, with the assumption that the software could help with automatically resetting the passwords that you could use the staff in a different way? So the cost savings on salaries would more than offset the \$250,000 for the software?

>> Absolutely. Right now we have a performance measure on how long it takes us to fix, break fix. And our goal is four business days. We could shrink that time down and we also have what we call level four projects. They're just small projects and the time it takes us to get to those are further out as well. So we could bring a lot of these things forward where we could be faster and efficient on solving the break-fix problems and then we could also be a little faster in addressing some of the smaller projects as well.

>> Pool: And did you do a document that would show what is the staff shift would result in soft savings compared with the 250,000.

>> There may be a business needs documents. I would have to go back and look and I can provide that.

>> Pool: It may be helpful to us here. Thanks.

>> Mayor Adler: Anything else for ctm staff. It is a few minutes before noon? Do we want to take a lunch break now and come back at 1:00. 1:15? Yes, mayor pro tem.

>> Tovo: If I could just get a better sense of the process. I think we still have at least one more key area of that we had questions that we wanted to address and that had to do with the commodities line.

>> Mayor Adler: We had the commodities line, we had development services and we had HHS.

[11:58:07 AM]

>> Tovo: So do you intend, mayor, to kind of go through those before we actually start making motions?

>> Mayor Adler: I think so because it gives people background. And if people want that background and then I see us making hard choices. Does that work? Yes, Mr. Zimmerman?

>> Zimmerman: Point of order question. I'm probably going to be voting against the budget because it's way too expensive, but in the interest of moving it forward, would you be interested in a motion that would add your draft changes here to the amended budget that's on the table?

>> Mayor Adler: We've already done that.

>> Zimmerman: That's already been done. Then what we would be doing is making further amendment to it. Thanks.

>> Mayor Adler: Taking things out of it, changing it, putting things in. Taking it out.

>> Mayor Adler: And then -- Ms. Garza and then Ms. Kitchen.

>> Garza: I just saw one of the chiefs from the esd's here. I was wondering if we had any questions regarding the -- I forget which concept item it is. To have that discussion -- I'm assuming he's here as a resource. If --

>> Mayor Adler: We could do that. Is the fire chief here as well. Okay. Do we want to do that issue? You had mentioned a desire to break at noon. But if have you time let's go ahead and we can do that while they're here if you would like.

>> Garza: I'm wondering if anybody has questions. If not, maybe he can leave instead of being here all day about that. If people have questions then I would say let's wait until after the break and move on.

>> Mayor Adler: I'm going to want him to talk about that expansion and what alternatives are available to us and how they would recommend us to proceed on that issue.

>> Garza: We could take that up right after lunch.

>> Mayor Adler: I would be all right with taking that

>> Kitchen: I just want to be sure whoever answers questions about the innovations office.

[12:00:11 PM]

I don't want to hold up that person, but we could do that after lunch.

>> Mayor Adler: Okay. So we will break until 1:00. We stand recessed. Thank you, everyone.

[Recess].

[1:26:54 PM]

>> Mayor Adler: We need to gavel in the -- coming back out of recess from our meeting here today on September 12th I think where we left action we were going to start with discussion about the -- the expansion in the fire service area. What was that? 84? Chief, why don't you come up and talk to us about that. I also asked Bob nix to be here so he could talk about that issue as well.

>> Thank you, mayor, council, city manager, in August 24th we had submitted esd4 report and part of that showed about a \$62,000 of funding, both from the city and from the county to cover salary and benefits for one month. Yeah. If the -- for one month of the new firefighters from esd 4 were hired so they would be hired in September to cover the gap to the first month, through that first month. I also want to let you know I want to continue to discuss options to provide that service to E.S.D. 4. And we ask that you give us that time until like after this council budget process into the fall to come back to you with some options that would be cost neutral to the city as opposed to trying to cover up to \$1.5 million gap, and that would be to cover over 50% of those calls would be outside the city of Austin limits. So we do want to find more cost neutral way to provide that contract for service. And then we ask that that \$62,000, if you allow us to earmark that out of our current sworn services, we have over \$144 million that are personnel costs in our current budget and we ask you allow us to earmark that \$62,000 instead of looking for it somewhere else in case we get to that point.

[1:29:16 PM]

Also we do know that the county did earmark that same amount in their last -- a couple budget meetings ago, but they clearly stated they were not intending and have no intention of covering that annually or any further than that. It was a one-time cost as we're going to do the same with our 62,000,

and they are not inclined to cover any costs that aren't replicable inside the county. We just would like to opportunity to bring some options to you in the fall and see if we can come up with option options that are more cost neutral and help provide services to citizens of the city and the county

>> Mayor Adler: Any questions? Yes, Ms. Gallo

>> Gallo: It's questions and comments. I appreciate the fact that you're willing to try to find these costs or find these costs within your existing budget because I think this is the way to move forward. You know, as we've talked about before and the comments that I've made is that the city within our annexation plans causes this situation to happen in our more rural areas because agency the city -- as the city begins to annex properties we're taking these service districts and spreading them further and further apart and the service districts are -- and also reducing the income that comes into them as we fully annex and then so what happens is the service districts are reduced from the standpoint of there's there's no distance from the stations, they're having to cut employees, having to cut equipment. Particularly as we pull in limited purpose annexation, which doesn't bring tax dollars into the city but the people that live in these communities are limited by state legislature in the amount of money they can fund towards their emergency service districts, and so we have this situation that through our annexation process we're making the situation worse and worse and we've just got to be able to figure out a resolution to this that allows the communities to have public safety from the standpoint of fire coverage in a responsive manner because, in addition -- and I know those are all over Austin but particularly in the western portion of our community we're very much at risk for wild fires and -- wildfires and we have situations where the current emergency service districts can't respond quickly enough.

[1:31:52 PM]

There was a house that burned to the ground within maybe this last year so we really do have safety issues. I appreciate you moving forward on this and being willing to fund this as part of your budget. I think it's amazing and it's a good sign that Travis county agreed to do this at a 5-0 vote, the commissioners court and I don't know that a 5-0 vote happens often in that group of people so I think it really does show a broad base support and all the commissioners Travis county in working with the city in being able to accomplish this. We get in the process as we hopefully move forward into taking this over, we get the facilities that are there are there, and I know it is a cost to the city to build facilities and also have the equipment so I really appreciate that. I think that Bob is here if there's some questions that you want to answer, if there's -- I guess once the chief is finished, but I do really appreciate you finding the money in this year's budget to be able to move this forward into discussion. I know there's been a lot of time spent. I know there's been a lot of interest in the district 10 community because there's a lot of communities that are limited purpose that require the emergency service districts for their protection

>> And I really do appreciate those comments, and I do want to say that I know that the most important thing is making sure that we're taking care of our communities and that we're being able to provide that service. But, again, there was, you know, up to a million and a half dollar gap if we were to go forward with the report as we submitted -- as was submitted to you, and I just can't in good conscience say that that's okay to add that to our budget when I have other needs that I've been asking for and that are high and one of those searching our women's locker room project. So, you know, I just could not recommend that we adopt that report as it was submitted, but I certainly do want to look at ways that we can move forward and I have always said that the best approach to fire services in Travis county is a regional approach.

[1:33:55 PM]

So there are no boundaries and that everybody is getting equitable service. So thank you.

>> Mayor Adler: If I understand what you're suggesting is that we have a fuller conversation on the issue when these budget hearings are over, that if it's determined that we want to go ahead and do that gap, then you'll find that money out of your existing budget?

>> So we did not -- not adopt the report as was submitted to you, which was the million and a half dollar -- it had a million and a half dollar gap but that \$62,000 we will ear mark out of our current budget so if we were to move forward with an option that the cost neutral and we needed that money we would have it earmarked just as the county did. They've marked that 72526 -- \$62,000.

>> Mayor Adler: It's the word ear mark that is confusing me.

>> Your rider.

>> Mayor Adler: We wouldn't be making changes to your budget.

>> That's correct.

>> Mayor Adler: But you would be making two commitments and I think councilmember Gallo already memorialized in a draft rider that says basically we're gonna have that conversation when the budget is over in the fall and if it's determined that we should move forward with that \$62,000 expense, you'll be able to find it another your budget?

>> -- Otherwise in your bucket?

>> That's correct.

>> Mayor Adler: Does that work in do you have anything else? Any background, Mr. Nix?

>> I'm sorry, what?

>> Mayor Adler: Do you have anything else you'd like to hear on this?

>> I'd like to make a brief statement if I could.

>> Mayor Adler: Okay.

>> I had quite a few conversations with the county commissioners and judge and I have a good understanding of what they're committed to and what they're not. I think the city, chief Ker, what the commissioner is saying is pretty similar. The \$26,000 dedicates many money so if -- some money so I'll emphasize if we have successful negotiations on the merger in the fall we can start them as firefighters September 1. The reason why Ernest money is important in this sort of deal is the chief esd4 once the negotiations are completed and if successful is going dedicate quite a bit of money to renovating stations and backfilling stations and putting his folks in academy that will save the city about \$1.3 million in training costs.

[1:36:15 PM]

So he has to have some notion of a commitment that that's going to occur and so the 62,000 allows them to become firefighters September 1 if we get a successful negotiation. I stand with the chief in good faith trying to find a way we can do it cheaper and Mr. Therefore may be ways to do it cheaper but if there's not ways to do it cheaper it's still a good deal. If the county ask commit the 500,000, which I believe they will, and the city commits the million, we're getting a station -- two stations fully funded, already built for a million dollars, which is a fraction of what it normally costs.

>> Mayor Adler: Okay.

>> Believe it -- may not be in the best locations but they're still in locations that will add value to our community also. I look forward to those negotiations. I thank council for all your help and support on this project.

>> Mayor Adler: Thank you. When we have conversations about this element I really do want it to be tied to the longer five-year plan so that we have a context for this relative to all of the other priorities or

things that we could be asked or the city should be doing. So not only the discussion of this in and of itself, but this in the context of the larger budget and need and mission issues.

>> And the firefighters association is very supportive of this notion of long-term planning. Some of the work we've done on fire station models and 3ps and stuff lends itself to that. I think it's a great idea. I hope we can be a part of that.

>> Mayor Adler: Great it but, Ms. Pool.

>> Pool: I wanted to thank the chief and also Mr. Nix for working on this place. We've been talking with chief Bailey with esd4 for a number of comes on it's a concept I had actively promoted so thank you so much. I recognize that it's additional stressors on your budget, and I am completely aware of that, which is why I really appreciate your willingness to take it on and look at it. I would be very interested in seeing, as Mr. Nix has 4:00 we are acquiring two -- has identified if we are acquiring two fully staffed up or the equipment, equipped fire stations as you say that I may not be in the most advantageous around the city but it's two more we won't have to, Mr. That would have positive response times I would initiation as far as the battalions being able to assist each other if they have to go full force on a fire, as the travel times will be short shorter and distances will be shorter, hopefully.

[1:38:52 PM]

So I would be interested in seeing how that piece fits in with the response times just an estimate of that, if we were to continue down this road. What would be the impact on our response times and would we see any positive effects? That would probably be something that you would be looking at in your conversations?

>> Some of this is detailed in the current staff report that was done to the stakeholder group, but I think we can get into more detail on that during the discussions in the fall.

>> Pool: Great. And I'm sure chief Bailey may be watching and he ought to be happy we've moved the ball a little bit. Thank you for that. I know this is a big help there is my colleague in district 10.

>> Mayor Adler: Mr. Zimmerman and then Ms. Houston.

>> Zimmerman: Thank you, Mr. Mayor. I believe we discussed this in great detail back on may 23 in the public safety committee, that's what my notes said. Do we have a draft of the rider that we're talking about that talks about this money? Is there a draft we can put on the overhead and go ahead and take a for that.

>> Mayor Adler: What we're going to do is hold the riders, keep that running list and do them all together, assign them out -- we'll divide up that responsibility, everybody can bring back drafts, we'll post all the drafts that way we're not drafting from the dais.

>> Zimmerman: Okay. And you think that's good enough for that intent to get everybody moving forward? Is the county -- do they see that 62,000 as our incident for them to pick up ball and keep rolling with it too?

>> I sent everybody from council a clip of the commissioner vote, and I think Danny habi is clear like chief Kerr indicated that he would like to find out cheaper options, which we should all find the cheapest way of doing this. Talking individually, they know it's a problem, they know it needs to be solved, they know it might take money to solve it so I think their commitment is is there.

[1:40:56 PM]

I'd ask you to reach out to them individually and talk to them first hand but I would characterize it that way.

>> Zimmerman: Okay. Thank you.

>> Excuse me, mayor.

>> Gallo: One other comment while I'm thinking about it, the issue of the cap on the esd taxing ability is something definitely that Austin should put on our legislative agenda because most of the communities in district 10 that are in esd4 really would be more than happy to pay additional funds as taxes to be able to support and if we move this towards the city, then that's support -- those financial resources would come into the city but I do think that needs to be part of our legislative agenda because there is a cap from my understanding that has not been increased in a large number of years. One of you may know the amount of time it's been since it's been increased but I do think that's something that the legislature needs to address, because it is very underfunded.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. I want to thank both of y'all and the stakeholders group for the work that you've been doing. I have long-term concerns, as you know about the 62,000 and then the kind of commitment, non-commitment, from Travis county for any future funding. 1.5 million for outgoing years is a lot of money. That's a big gap. And so I'm looking at the rider, which kind of says that we're gonna keep doing this rather than keep having a conversation. And what I'm saying is that I want us to keep having a conversation because I want this to be revenue neutral. I don't know that we can -- with all the other things on our plate today, I don't know where we come up with \$1.5 million from now on until the end of time and that's gonna increase as wages go up, as benefits go up. That's gonna increase. So that may be a small number at this point but may get larger and larger over the years.

[1:43:00 PM]

I'm willing to support continued conversation. The way this rider is written I can't support instructing the acquisition of services. That's a very different part of the puzzle.

>> I would say real quickly that all my discussions with council and the commissioners court has been that the commissioners court, if the negotiation was successful and if we couldn't find a cheaper way of doing it, the commissioners court picking up 500,000, the city doing a million. So what you get -- I don't want to go into great detail but it costs over \$3.5 million to fund two stations. You're funding two stations for a million dollars, pretty good deal. We're gonna try to do it cheaper. The county does have a commitment and the gap funding wouldn't be at 1.5.

>> Houston: Part of that commitment Mr. Nix could be to go ahead and have a specific arrangement with esd, the one that's in councilmember district 10, councilmember Gallo's district and then work on the rest of them because we don't have those kind of problems in the other 2esds that are located in district 1. Maybe you can work out an arrangement with her, with that particular esd4, and then kind of phase in the others once we see what the financial implications are.

>> Mayor Adler: Anything else? Thank you very much.

>> Thanks.

>> Mayor Adler: While we're doing public safety, is ems here?

>> Mayor, ray Arellano, assistant city manager. Ems is here. I can have them down in about five minutes.

>> Mayor Adler: I want to ask the question, it's a big deal -- I mean, a big cost driver.

>> Certainly.

[1:45:00 PM]

>> Mayor Adler: In terms of the delay or different levels of the delay or whether we should stay away from the delay.

>> I'll have them down here shortly.

>> Mayor Adler: Okay. Then let's go to another department. How about -- do you have a preference at this point? Do you want to pick one, mayor pro tem?

>> Tovo: I'm interested in talking about that, the line item for commodities. And so that involves a lot of different departments, but here is ems. But maybe at the appropriate time we could talk about what that impact would be look like on different departments.

>> Mayor Adler: We'll do that next. That might be a manager or acm question. Chief.

>> Good afternoon, council, mayor, city manager, chief of ems. I'm sorry I was running downstairs and I missed your question.

>> Mayor Adler: No no. You did fine. One of the things that the council has been taking a look at and discussing is whether or not to not implement the full 42 hour week all this year. There have been proposals to do half of it this year, half next year, two-thirds of it this year, and one-third of it next year. Three quarters of it this year, a quarter of it next year, all of it this year. Do you want to address that for us?

>> Absolutely. Thank you for the opportunity to speak to that. We did provide the numbers and gave you a way that we could divide it if we absolutely needed to. I'd like to encourage you to go ahead and do it all. There's a good reason for that. Last time when I spoke I talked about the serious impacts of both the lack of resilience and the ability to allow our medics to recover and develop cumulative fatigue. Those things are devastating and we've seen what can happen in the worst case scenario. What we'd like to do is continue on the paying we're at right now. We've got some of that funding last year. With the thought that we would continue that and finish it up this year.

[1:47:05 PM]

And so the problems that we're gonna have if we split it up is that we're gonna see a delay in the implementation. We're gonna get part of the way through and then have to hit a hard stop because we're out of money. Any time you start a process and procedure to start moving forward on something you gain momentum, efficiencies, start rolling it it and start making sufficient progress. My fear, right when we get to that point we'll come to a hard stop. That will cause restart issues we're gonna have in hiring, recruiting and processing people through the process to get them in. So there's gonna be that and I would say that's probably the hard impact. Then there's the softer impact, which can become very real to us. That's the message that we send to our workforce. This is an opportunity right now to stand behind them, to speak for them, to show them how much they value them, how important they are to us and what difference they make to our community. The medics, men and women that work in Austin ems are highly dedicated people, also highly skilled clinicians. They're hard to come by. It's important to get as many as we can in the organization, train them, maintain them, support them, and keep them for as long as we can. Last year when I spoke to you, I came with a long list, pretty comprehensive list of all of the things that we needed to do to right up the issues that we were facing at the time. And it was not a management list. It's a workforce list. All of this had -- all of us had to work on this. I can tell new all sincerity we have met 100% of that, we've done all the things that we said we were gonna do to make ourselves stronger and healthier. I can tell you that our morale is higher than it's been in a long time. I'm already seeing the drop in turnover rate. I'm already seeing the difference in where our personnel holds themselves up and it's all because we're moving positively to try to get a reasonable workweek.

[1:49:06 PM]

Right now we're working 48 hours a week minimum. That's without unplanned overtime. But you all know as well as I do there's vacations, sick leave, all these things that we have to cover, and so people work far in excess of 48 hours a week. And most of the world works 40 hours a week. We work 48 and we have a tough job. Some of the things that we see and endure in our work is tough. It's very, very difficult. And I don't need to describe those things for you, but you can imagine some of the things that

some of our medics have to endure in just the Normal course of the day. It's very difficult. And what we're asking for, stand behind us. Let us continue to fill this gap. Help us move to a reasonable workweek. Help me give six hours of life back to our medics so that they can invest that time in their families, in themselves, in the relationships that keep them alive. Let's not lose momentum. I think right now we're at a critical stage. My recommendation to you guys is plow ahead, plow ahead. I know it's tough. And I know that you've made many, many, many tough decisions coming to this point. But you really ought to be proud of the things that you're doing. You've done some great stuff. This is an opportunity for another win. I can go cheerleader on you but I don't think I should do that. Does that answer your question, mayor?

>> Mayor Adler: Yes. Any further questions from the dais on this issue? Mayor pro tem.

>> Tovo: Thank you. Not on this issue, but on another ems issue, the base budget that we're now working off of includes a cut to a position that you had proposed and that was nine moves funding for one sworn designated medical officer and associated equipment cost to monitor clinical performance and the prescriptive text talks about that position being responsible for ensuring the care medics provide is safe and meets local and national standards of care. So I just want to talk with you about whether we have a -- I'm a little concerned about cutting that position without at least hearing from what you the impact could be on the quality of care that our ems medics provide.

[1:51:16 PM]

Clearly you thought it was an important priority or you wouldn't have forwarded it for the city manager's consideration.

>> One of the things like I said we are clinicians, we address public safety but we do health-care. That's what we do. Any time you practice medicine as we do it requires a high level of training and pretty high level of oversight. We have our medical director's office that sets standards for us and then it's up to us to go out and monitor and oversee the work that we do. The challenge that we face is that over years our workforce size has almost doubled but we haven't been able to add sufficient numbers of quality assurance staff. This is one of those staff. Our goal is to put one of those persons in each one of our districts and we're two short so we're asking for one more. So that's the challenge that that presents for us. It is important for us. It's very critical that we fill those quality positions because it's how we monitor our health care that we deliver.

>> Tovo: You're two short. Were this to stay in the budget you would be one short.

>> Correct.

>> Tovo: But you do have people in the field doing this work. They simply won't be able to share that workload with --

>> That's correct. I think I've only got three right now. Ultimately we want to have five.

>> Tovo: Okay. Thank you.

>> Mayor Adler: Anything else? Chief, thank you very much.

>> Thank you.

>> Mayor Adler: Thank you. Went to hear from development services.

>> Mayor, council, Rodney Gonzalez, director for development services.

>> Mayor Adler: There were several positions that we wanted to hear more about.

[1:53:22 PM]

I think they've been identified for you. Do you want to walk us through those positions?

>> Certainly. Let's see where to begin with. On the concept menu you're starting with, I think, or other 2.09, would eliminate the environmental review partner dsd. That is an environmental review specialist

in our trees program. Currently our trees review we're getting approximately 20% of our tree reviews out on time. This position is a needed position to of course increase the number of reviews that we complete on time. This position, along with another position, are part of our goal towards increasing the staff in the trees program. We have additional funding needs that have been pushed off to the 17-18 year so of course if this position isn't funded then of course we're further delayed by increasing the number of on-time reviews and of course moving the position request not just to 17-18 but 18-19, which would be a four year implementation of the action plan we brought forward to increase our on-time reviews.

>> Tovo: Mayor, I don't know if those are the positions -- I don't -- at this point we are so many documents beyond the concept menu I'm not sure if somebody was going to propose that position be cut. That's not one of the positions I've brought forward for consideration.

>> Mayor Adler: I don't think it was either. Do you want to raise the ones you have questions of.

>> Tovo: Sure.

>> Mayor Adler: Let's do it that way.

>> Tovo: The cuts I proposed on development services -- let me start by staying, you know, I wasn't at the point where I was ready to roll out these propositions but I sure can. Clearly the work that --

>> Mayor Adler: Would you rather come back to this later?

[1:55:23 PM]

>> Tovo: It's fine. Rodney sup here. I'm happy to talk about it now. This will be true of all the different concepts. It's not that these aren't positions that would be great to have if we had the funding this were an easy year and we didn't have another needs that were gonna go unmet. That will carry through to some of the other things as well. I appreciate the work you're doing, Rodney. I think you've done a tremendous job. This is an area we've made increasing investments over the last few cycles and I have some details that I may or may not be able here to summarize for you. I think it was in last year's budget am I right in thinking we funded 26 new positions.

>> Yes.

>> Tovo: Within development services? And I think we had a lull the year before but then the previous year there were also in 2013-2014 there were 24 new positions in planning and development review. Now those positions have done to development services. So I want to send a clear message to the public, we certainly heard when you had concerns about the state of our review process and the length of time it was taking for people to get permits, people to get inspections, people to get through the review process, and this council and the prior council have made really significant investments, financial investments, in making sure that that situation is changing. And I believe it has. You know, we've already made some real improvements and I'm very supportive of continuing those investments in this year's budgeted. But I am proposing some strategic cuts because we have really other considerable needs too when you have one out of four children in this area who is food insecure, we need to also consider those kinds of investments and I believe we have additional investments that we need to take into contract in this year's budget and we have to make choices. So that's the -- one of the reasons that I'm proposing these cuts. So the positions I am proposing removing are just two at this point, though I suppose that list may expand, but I would propose that we convert the planning officer that was the subject of question and answers 164, 175 and 209, that we convert that to-- let me back up.

[1:57:41 PM]

Right now in the affordable housing trust fund there are four ftes proposed, three existing, staff salaries that have been coming out of the affordable housing trust fund. One is a new position. The way I see the

affordable housing trust fund and its mission I don't believe it should be funding staff salaries. I believe it should be funding production of housing or supportive services that help people be successful in safe and stable housing. I think it should be a goal to move all of the staff positions out of the affordable housing trust fund and let that function the way I think it was envisioned. So I am proposing taking two of the development services positions that have been provided in this current year's budget and converting -- and using that money to fund what seemed to me to be two planning positions that would be otherwise funded through the affordable housing trust fund. We probably need to get information about what those are, but I guess that's the second piece of it. The positions I would propose converting, I.e., some might say eliminating is the planning officer position I mentioned and community information and planning manager. And then there's a third position on here I want to talk about, community information planning manager that would be funded -- that will not result in any savings to the general fund but it's currently proposed to be funded out of the urban forest replenishment fund, which I understand it has an impact fee and I want to talk about the policy there of funding a staff position out of an impact fee. And, again, too, it's my understanding that this fund was really set up to replenish our urban forest. So when trees are removed that we're using that fund to help rebuild our urban forest, not to fund necessarily staff positions. So that one gives me pause, not because I think it represents a savings to the general fund, just because I think there's a policy and sort of a fund philosophy reason not to add that one.

[1:59:42 PM]

And then maybe after we hear a little bit about what those positions do we can talk about it.
>> Sure. Mayor, council, you may recall that part of our plan also includes an increase in fees to the services that we charge. One of the things that I purposely tried to do was not make it a hydraulic situation, if you will, where by funding dsd you have to make a cut in parks or libraries. You may recall that last year that we increased our fees to the tune of 4.2 millions. The amount of funding provided to the department was 2.7 million, therefore, providing the general fund another \$1.5 million in revenue. This year of course the fees increases and the associated revenue increases were 9.9 million and funding increases we've come forward with are 5.5 million, again, contributing 4.4 million back to the general fund so that way it's not a hydraulic situation. For the first time in history or at least in memory our revenues are exceeding our expenses within the department so that way the development department, new development, if you will, is not be subsidized by the general fund but rather it is contributing. So when we brought forward our plan it wasn't just a plan to increase the expenses or the resources that are needed to do the work. But it was a plan to increase the revenues and fees to get them from the 56% cost recovery to 100% cost recovery. So it's very deliberate how we put this plan together. We had anticipated of course it being a two-year plan. It is a tight budget year. We recognize that. Some of these resources are being pushed over to 17-18 but what we're talking about here, yes, there are resources added in the 13-14 year. There were also resources that were cut in the 11-12 year as a result of the '08 recession. The other thing we're talking about and council heard me talk about this before we're dealing with a moving target, month or month, year over year increases in economic activity.

[2:01:48 PM]

When you see -- we didn't stay down very well, the economy continued to expand and that meant increasing applications coming into the department, increasing applications from small businesses, from homeowners, from multi-family apartment complexes, from commercial projects, for jobs. And we've tried to sustain of course those increases with existing staff, but we have not been successful. And that's why you've gotten so many phone calls about the lack of performance, about the 30% on-time

performance reviews we have within the department, et cetera. I think a lot of that of course was highlighted in the Zucker analysis from last year, which called for a number of resources spread out throughout the entire department. With regard to these two positions in particular, the planning officer position, one thing that we commonly hear is that our more challenging applications are stuck in the process. And they're stuck in the process because of a lack of the number of people that we have who can make the right decisions. These challenging applications often have to be kicked up to management and it's in that case that we need a planning officer to help with some of that senior-level decision-making authority so that way the more challenging applications don't go too long without being considered for the appropriate decisions that need to be made. That's why we're requesting a planning officer position, not to necessarily do the reviews themselves, but to help with the more challenging applications that we continue to come across as land becomes scarce throughout Austin for developing, then some of the more challenging parcels are looked at and those are the ones that we have the most trouble with in figuring out how we can get them done. Looking at the communication -- community information planning manager, that's a tree exposition we are funding to fund it from the urban trees fund. That is not the first time we've funded a position from the urban trees fund. We currently fund I believe several positions from the urban trees fund. We do believe that the funding is sufficient to sustain not just this position but the other positions that are within -- or that are funded by the urban trees fund.

[2:03:59 PM]

More importantly, this position is going to implement the urban forest plan, a plan approved by council and well-supported by the community. Currently we do not have a single position to implement the plan, and we certainly don't want a plan that we've put a lot of time and money into developing to sit on the bookshelf and collect dust. We want to implement the plan and we feel that by adding this position that we have one person who is held accountable and whose responsibility specifically is to implement the urban forest plan.

>> Mayor Adler: So you carried the planning officer issue. Did you also address the third-party plan is there.

>> We did in written format but I'm not certain if that's still up for cut or not but we certainly can.

>> Mayor Adler: Why don't you address that as well.

>> Okay. If you don't mind I'd like to show council a chart that might be able to best address why we need the assistance with the third-party inspections.

>> Mayor Adler: Mayor pro tem, while he's looking for that, can you explain to me the last item that you have in development services on your revised page?

>> Tovo: Sure, community information planning manager is the one that I think we've been talking about, which is funded through the urban forest replenishment fund. I understand the heritage tree ordinance included a staff position that has been funded out of that. I do continue to have concerns about funding staff positions out of something that is an impact fee we have a situation where in the future those impact fees aren't coming in, people are adjusting the way they develop and are no longer removing trees and aren't then paying the mitigation fees then those become positions that have to be funded through some other managers like the general fund.

[2:06:07 PM]

But the -- means, like the general fund. Mayor, is that the topic.

>> Mayor Adler: I just didn't understand what the -- were you proposing something that resulted in additional revenue? The position existed that was being paid out of the urban --

>> Tovo: That's right. It would not result in revenue to the general fund. It would result in that money not coming out of the urban forest replenishment fund. Part of my understanding from the question 209 is that that position is currently -- would have the responsibility of supervising through employees. We've had discussions in the past about management and adding management and really looking carefully at some of those decisions. I think that's another good reason to raise questions about this position. The other question I had, too, about the planning officer position, which is on my list, as well as this position, you know, there has been some reorganization here and as I understand one of these positions is happening in part because there was a promotion and so from 209 it sounds like one person moved up to be a supervisor and now we're hiring a new position within that, but they still have the same capacity. They still have the capacity to do the work they did before, even though one of those members got a promotion. Since there has been some reorganization and some other things, that is one reason why I was looking closely at two positions within this category that are talked about in 209, budget question 209.

>> Yes. You may recall that at council correction the pard forestry unit was moved over to the development services department approximately two years ago. Our arborist program at that point was under our land use review division. Basically they would do site plan reviews. The match wasn't good, to bring in the pard forestry unit into a function that does site plan reviews, especially for a team that focuses on protecting the urban forests.

[2:08:13 PM]

So what we did was we elevated the community trees. Created a community trees division. We elevated it. That came out of land use review along with the tree review specialist as well. And we created that manager's program or position specifically for that urban forest program unit. So that way both the urban forest program unit are both under trees division. Mayor, council, I was gonna show you quickly of course the work volume increase. This is one slide, residential application increases month over month from October 2010 to current, and you can see the number has increased month over month from just below 600 to just above 800, approximately 25% increase each month that we receive in the development services department. Part of the third-party plan contract will be to perform residential zoning reviews, which can be some of our more complex time that we spend on performing these reviews. And that of course then allows time to -- time for staff to spend on other residential reviews we tested the third-party contract for the first time ever this January, with great success. We used \$50,000 of our existing overtime money to do so. We're confident that if we are provided another \$300,000 in talked we're gonna make great strides in improving the on-time performance of residential review. Then the next slide if you will is building inspections. You can see the month over month increases here have been from approximately 145,000 per month to well over 225,000 per month. 60% increase within the last five to six years. That's quite substantial without a meaningful increase in resources for staff to accommodate.

[2:10:14 PM]

Our staff has worked diligently. They work overtime. They are adamant that they want to achieve a 90% next-day inspection. The dilemma for us is that at the expense of focusing on quantity, that they lose out on quality. And these are homes that we're talking about, homes that need to be inspected for electrical, for mechanical, homes that needed to be inspected for plumbing, and so we have a grave concern that the quality of inspection suffers in order for us to meet our 90% next-day inspection. So we are planning to use \$150,000 of that third-party contract to do change-out inspections, which would specifically benefit residential homeowners such that they can get their inspections done on time. The

savings for us by using a third-party contract is it's in essence like adding two additional residential inspectors so that way we get to accommodate some of the workload increase by the use of third-party contracting. Third-party contracting has never been used in the department before. It's certainly something that Mr. Zucker had brought up time and time again in his analysis as a way to accommodate some of the growth in activity that we've seen year over year as opposed to hiring permanent resources which when you experience a down economy you have to figure out what you do with that permanent resource. For us using third-party plan review and inspections is a very deliberate way to approach the activity that we've seen.

>> Mayor Adler: Thank you. Any further questions for Rodney? Yes. Ms. Kitchen.

>> Kitchen: Thank you. I had a question about a different item.

>> Mm-hmm.

>> Kitchen: And that is the annual customer survey at 55,000. I understand that that's -- that's for hiring an outside source to do the customer survey. So is this -- couple of questions. I'm curious about the cost.

[2:12:15 PM]

And curious about why we are not using internal resources, not necessarily your department, but internal resources because I know that we do -- you know, we do have staff that do surveys from time to time. So can you help me understand? Is this something we've always done? And is this the rate that -- the cost at which we've done it? And when was the last one we did?

>> Mayor Adler: Let me take first stab at that since I think I was the one that had this put in as part of the conversation with the permitting. My understanding -- Rodney, you can check me on this and it's certainly something that we've talked about at numerous work sessions going back to the Zucker report. There are certain things that we can objectively test in terms of next-day response.

>> Kitchen: Yeah. I'm not talking about -- I don't have a problem with surveys. I'm wondering how to do it in a less costly way.

>> Mayor Adler: So what I asked for back then when they were looking at it was not another user survey as the city has always done, which is -- gives you anecdotal information. And is not remember indicatable so you have benchmarks from time to time so it requires a polling entity to be able to as you would poll anything in a community so that you have results, so they have to create the profile -- my understanding was we could academic the expertise didn't exist in house to delivery that kind of scientific policy -- that was being done because that was the best way to measure whether or not we were successfully creating the culture change that we were trying to create inside the department, the customer service issues and those kinds of things.

[2:14:20 PM]

>> Kitchen: Okay. So it's a polling type of survey?

>> Mayor Adler: Correct.

>> Kitchen: I'm still -- 55,000 is a lot of money to pay for a poll. So I know we're -- I hate to be looking at small dollar amounts like that because I know you guys are doing a lot. It's just that, you know, that's what we're reduced to right now in terms of -- because there's some additional -- as the mayor pro tem talked about earlier when I'm trying to balance this against a victory fund, an afterschool program for children that needs \$45,000 to continue at its current rate. When I'm trying to balance those kinds of things that's why I'm asking these questions.

>> Mayor Adler: My sense is this is a department that really didn't want to do this and the request for it to be done came off the dais because the community had a concern about reports that were showing that our permitting was 90, 95% loved by the community and that it was working very well and that

wasn't track being the anecdotal things we were hearing. What kind out of the conversation was if we were gonna invest this much money as we are invest to go actually improve the permitting process this was really our only independent way to measure the effectiveness and wisdom of what was a considerable amount of money we were putting to improve that process.

>> Kitchen: I think it's a good thing to do. I'm not questioning that. I'm just raising a question and whether or not we do anything about it or not, about the amount. So and I wouldn't want to get rid of -- I wouldn't want to get rid of a polling type survey. I'm just not sure that it costs 55,000. Anyway, thank you.

>> Mayor Adler: No, no. And I stepped in for Rodney only because I didn't want him to have to defend something I wasn't sure every wanted to do but the cost associated with it might be something you can address.

[2:16:30 PM]

>> Certainly. With regard to us wanting to do it, there are different ways of course that we can do a survey. I think the level of the survey that was directed by council was of this magnitude, which is to do a scientific type of polling situation. And what we did was we modeled this after the city-wide survey that is currently done by the finance and budget department. We did an rfp this summer because of course we were concerned about the costs. We wanted to make sure that we checked the market, if you will, to find out that we had the best cost out there. And etc institute, which currently does the citywide survey came forward as the lowest value proposition for the polling that will be done. So, makers we have wanted to do -- mayor, we have wanted to do spacer as you recall it's in concert with our success metrics, the way we're gonna measure the qualitative type of success metrics we put forward. The council is very clear it had wanted a scientific type of policy we modeled that after the current citywide survey and did an rfp, if you will, to check the market prices on that.

>> Mayor Adler: Ms. Pool.

>> Pool: On the survey, is it the kind of survey where just one response per person no, matter how many devise they may have? It's kind of more like polling for political polling?

>> I'd have to find that out. Etc is going to randomly send out the survey to 5,000 of our customers. I'd have to ask how they're gonna control for that.

>> Pool: I think we already make it if you are going to respond on your computer you can only respond once from that ip address but my certain is the ability to take multiple devices and stuff the ballot box so to speak. It doesn't help us get a really good sense of how well our services are being received or what is needed in a community.

>> I share your concern. I think we're looking for one response per respondent and we'll find out how that will be achieved.

>> Pool: Okay. Thank you. I had a couple other questions.

[2:18:31 PM]

>> Mayor Adler: Okay.

>> Pool: I'm looking at-- on volume 1, page 202 of your -- the development services significant changes. And you I think -- I don't know if the bottom item on this page is the piece that you were talking about the \$450,000 for ongoing third-party plan review and inspections to address overflow and demand. I am looking at that piece in combination with the first two under new investments, which is 100,000 for overtime funding for periods of peak customer demand to maintain service levels and 125,000, funding for entry employees to meet customer demand and maintain service levels. What I'd like to negotiation

are they for the same activities? Are we contracting out to a third-party vendor but backfilling with temporary and contract employees? Is F so, why?

>> Maybe I might back up and say that our approach to resolving the on-time performance is a multiple tiered approach. You've seen us come forward with a request for permanent positions. That's one way we want to address it. The other way is increasing our temporary and overtime work. The overtime work we currently have our employees sign up for, we can only take it to a certain level before our employees become burned out. But we needed some additional overtime money based on historical numbers we had seen with overtime. The same thing with temporary. We feel we can address some of this on-time performance review through the use of temporaries. We're doing that effectively now. We feel with the use of more temporaries we can do that. As mentioned for the first time ever we're now engaging with third-party plan reviews. So there will be limited cross-over. The temporary and overtime work is primarily for commercial plan review, site and subdivision plan review. There will be some residential review there but 40 third-party we're intending specifically that to be towards residential zoning review and for the changeout inspection program within building inspections.

[2:20:33 PM]

So there may be overlap in residential but not very much. Once again what we're doing is looking at this as a multitiered approach, looking at what would we propose for permanent basis, what would we propose for a temporary basis, and contract basis.

>> Pool: Would any of these positions be in the residential permanent novice.

>> I didn't hear that.

>> Pool: Would any of these positions or do you have some additional staff in the plan to add to the number of staff who are in the residential permitting office?

>> Yes, we do. And so those positions are also listed -- let me see. Mine isn't listed but further on that same page of the third-party plan I think you will see two positions added for zoning review. Those are the positions that we're intending to add to the residential permitting process.

>> Pool: So will this allow the permitting office to be open more than -- it's open about three or four hours a day. Is that right? And that's all?

>> Our 11:00 the way that we have them -- our hours, the way we have them tact targeted is we can't stay open for walk-in customers all hours a day because of course our folks tasked with looking at these plans and making sure that they're focused on their work ahead of them can't be pulled out and then of course try to reengage with the plan in front of them. So we're very focused in setting our walk-in hours such that we have a combination of walk-in hours, we have a combination of appointment-only hours and of course the staff has meetings with the applicant or by folks who are affected by the specific application. And so although it may seem like we have limited hours that we're truly open for a walk-in customer the amount of time we spend with our customers and with their application far greater than what the walk-in hours are.

[2:22:36 PM]

>> Pool: Do you think that's adequately -- that the public is adequately notified about that? Do you find that people come down and they don't know when the windows will be open and so they're frustrated because they've come down and spent time to talk but there isn't anybody there to talk with?

>> I would be frustrated if that were the case myself, and so we try as much as possible to publish that information on our website. One thing that we're getting into already is that -- genetic into later this year is an external newsletter so that way we can publish that information as well and publish any changes so that way anyone who wants to subscribe to that information can have it at their finger tip.

You heard from me back on September 1 the changes that we're making to our website and we're purposely looking at how best we can give that information to our customers. That way they don't show up to one Texas center only to find out that the walk-in hours aren't there.

>> Pool: Then I have a question for you, you were talking about overtime previously and that's part of what the 100,000 and 125,000 allocation here targets. Other departments often use salary savings from vacancies for overtime. Do you do something along those lines or is it different in development services?

>> We try to hold our vacancies to as minimal as possible, as, you know, the work continues to come in even though a position may be vacant. And so my directive to staff has been that when a position is vacant that we post it within two weeks of it being vacant because it is to our detriment when we don't have a position filled in our department, because that means that backlog begins to accrue, the staff who is there either has to work additional overtime to make up for that vacancy, so we are trying as hard as possible to fill these vacant positions quickly. I think and last week we were down to nine vacant positions for a total staff of 325 positions.

>> Pool: Do you have the dollar figure attached to that? Because my question is would you be -- I mean, even if it's vacant for only a day or a week, that's still a savings there that can be used for overtime.

[2:24:40 PM]

So I'm just asking are we able with your vacancy savings to maybe mitigate the 225,000 that you have listed here, you'd still be able to pay the overtime and have that coverage but that we could take this out of the general fund and have it be funded through moneys that are already in your department before they're swept?

>> We already -- I think the targeted vacancy savings that we have in the department is already 1.7 million. And so we already have a vacancy savings, if you will, that is targeted that we already have to try to meet. So any vacancy savings that we do have goes towards that targeted goal of vacancy savings.

>> Pool: That gets swept into the general fund or.

>> I think Ed might be able to explain the vacancy savings.

>> Pool: Then the follow-on question, I understand at the end of the year we do that with some regularity just to clear things up but during the year when you have vacancies you have money that isn't spent because the positions are open and so that -- until you get to the end of the year when it's swept. So are you spending those vacancy savings during the fiscal year in order to pay for the overtime whether it's temporary or contract or full-time employee. Employee.

>> We currently do that. So if a position is vacant, then a staff member either works overtime or we're trying to hire a temporary as quickly as possible to fill that vacant position. , So yes, we're currently doing that to some degree. Nothing, though, that we do have a vacancy savings target that we have to meet we're able to use some of that savings.

>> Pool: The piece that I just -- I'm just not getting my head wrapped around is we would allocate some additional funds and here it looks like 225,000, so that you can pay overtime, but at the same time you have vacancies that are accruing solar savings and -- salary savings and benefit savings that aren't being spent.

[2:26:48 PM]

I'm not quite understanding and it could be a failure on my part to understand why we would add 225 no to your budget when you have vacancy savings that you can use in addition to the 225.

>> Speaker1:.

>> This would be an additional \$225,000 to their overtime budget. So it's important when we talk about vacancy savings that you think about it as a negative number because that is indeed what it is. So we will

look at an individual department like Rodney's and I'm looking at the figure here, it's actually almost \$2.9 million is the budgeted vacancy savings for the development services department fiscal year 17. The reason its so high is because they're adding 30 positions with a -- 30 positions with a 39 boos start date of five months delay. Part -- when we budget the position we budget the full amount and then we budget a negative amount to take some of the money back. When you add a lot of positions and those positions are delayed because of how long it's gonna take to hire them you're gonna have a higher vacancy savings number. So that's part of it. And then the other part is, you know, Rodney was saying they have over 350 positions currently and we know there's a treadmill of people leaving for various reasons and it takes a while to get those positions posted, even if they're very, very diligent, which it sounds like they are to get the position posted within two weeks that's still two weeks. You still have to have four to six weeks to do the recruitment, bring people in, interview, select your candidate, have them actually give two weeks' notice and show up onto the job. Sometimes your first candidate doesn't pan out so you have to go further down the list, et cetera, et cetera. Sometimes you fill with an internal candidate and that creates a vacancy behind it. We do a lot of work to figure all that out and take it into account. For those 350 positions based on that Normal treadmill we will give an additional negative amount to their budget so it brings their budget down.

[2:28:48 PM]

What we're trying to do, the best we can predict it based on historical trends insofar department we try to take that money away at the beginning of their budget. So long story short is the -- as the budget proceeds and vacancies happen they don't have the money in their budget, even though they're -- when there's a vacancy and they're realizing savings to the extent we've done our work up front and have done a good job of predicting that we've already taken the money from those departments to reflect that. We try very hard to not overdo that. We don't want to balance the budget on the back of vacancy savings. We don't want a department like [indiscernible] That has a job to get done to have to hold a position vacant to meet some arbitrarily number multiply what we try to do is back the money out up front so we're not overbudgeting. I don't know if that helps. That's why we have to add money if the department needs overtime money we add money to their budget for overtime because we've already taken the money back from the vacancies that they're gonna have.

>> Pool: And that is what this 225,000 represents then, adding back on top of that negative 2.9 million we're putting 225 back in 6:00 meet your overtime expectations.

>> That's right.

>> Pool: That makes sense. Thank you for the explanation.

>> He can explain it better than I could.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I have a couple questions in follow-up to the discussion we've had. So this budget would add seven months of 18 expedited permit reviewers, reviewers within the expedited permit. As I remember from our previous conversation when this was on the concept list, your intent is to do it in two phases. Is that correct?

>> Yes.

>> Tovo: Are there any costs associated -- any costs that accrue immediately to the city from proving the 18 right now? Are we -- do we become responsible for buying equipment right away or starting to pay insurance for those positions or any of -- are any of those costs accrued prior to the time that those 18 come on board?

[2:30:56 PM]

>> No. There aren't. Because of course all the costs that we have are associated with salary and so those costs wouldn't come on until that person or until those individuals are hired. We do have a factor of course for computers but we wouldn't buy those computers until those individuals are hired as well.

>> Tovo: Thanks. Then with regard to the third-party review and my proposal is to reduce it, not to eliminate it entirely, but to reduce it, to 100,000, I think I heard you name the figure of 150, which was reserved for residential, a residential piece of that third-party review. Is that right?

>> 300,000 would be reserved for residential zoning review and 150,000 would be reserved for the changeout inspections which also impact residential.

>> Tovo: All right, thanks. So, you know, I don't know, mayor, if you want me to make my motions now. I guess, you know, I'll just add that I think all of these are really worthy enhancements to our process and it is important for us to continue to enhance and improve our development protection but I also know that we have -- protection -- process, but I know we've received similar requests and recommendations, for example, in the form of the matrix report with regard to policing or several audits including one that got released about the parks department highlighting the need for really significant increased investments in our parks, to keep them at the level that our citizens require. And so, you know, we are subject -- we have before us a budget that would propose 39 new positions in addition to substantial fund for overtime, substantial fund for temporary employees and substantial fund for outside reviewers and I'm simply suggesting we eliminate three of those positions and reduce down the costs for those third-party reviews. Let's do a lot of the enhancements but not absolutely all of them. So if now is the appropriate time I can make those motions.

[2:32:58 PM]

I know we talked about doing that a little later but I'm wondering while we have the continuity of the discussion we just had or do you want to do it later? Everybody want to think about it, postponed, come up -- ponder, couple with them later? I see feedback from my colleagues but I can't read whether it's supportive of imposing forward.

>> Kitchen: I'm trying to figure out. We've done everything else later. I hate to pull one of them out of the stream.

>> Tovo: Okay.

>> Kitchen: I don't know what's better.

>> Tovo: Later is fine.

>> Mayor Adler: Let's finish with staff reports and come back.

>> Tovo: I think that we had an opportunity to talk about the -- all of the things on my list with regard to development services.

>> Mayor Adler: Okay. And I appreciate that. I want to hear what the other possible cuts are as we're going through with the staff because that context I think may help me when we see what's there, what's not there. I know there are needs obviously all over city. This is an area that we've put a lot of money against trying to fix. It's an area that if we're doing well actually returns us money. This is turning into an enterprise department for us. And we're getting closer for that being able to happen, and I think that as we address affordability in this city, we have to address it on lots different levels. And my recollection was that this already represented a significant cut in the -- what the plan was that Rodney wanted to do inside the office. Is that right, Rodney?

>> Mayor Adler: Or if I'm wrong, tell me that.

>> Tovo: The 39? Is that what you mean?

>> Mayor Adler: The plan that's before us now.

>> Yes, mayor. It is a significant cut given the tight budget constraints of the current year. There are other unmet needs as I had mentioned that we will bring forward in the 17-18 budget year.

[2:35:03 PM]

To the tune so far we're estimating 33 positions at \$3.1 million. Now, of course next year we've committed to do the fees study completely again to take a wholesale relook at our fees again. It's our anticipation once again that we don't bring forward a hydraulic situation where you have to cut somewhere else to make these funding requests but that the development services department pay for itself through an enterprise fund model.

>> Kitchen: Mr. Mayor?

>> Mayor Adler: So obviously -- yes.

>> Kitchen: I'm sorry. I'm wanting to make sure -- I think I understand what you're saying, so the fees pay -- so right now the fees that come in cover the entire cost of your department?

>> Yes.

>> Kitchen: Okay. So when we're talking about these funds right here, basically what we would be talking about is increasing the amount that you give back to the general fund essentially? Right? So if we were not to fund a position, it's not that you need this funding to pay for that position. It's that if we don't -- it has to do with how much you're giving back to the general fund? Because if you're paying for everything that you need, then you don't need these to be funded because it's coming in from fees, right? Or am I not understanding.

>> You're right. It gets complicated and convoluted because dsd is today still a part of the general fund and so the revenues they collect are just part of the general -- they're not an enterprise department currently. So if any of these positions that are being cut are actually fee-based and generate revenues then you would see in the general fund you would see a reduction in the expense and you would see a reduction in the revenue. I believe that's true of most of the positions, but perhaps not all of the positions aren't necessarily fee-based. So in those cases where if we were cutting an expense that wasn't gonna have any impact on dsd's revenues, their revenues would stay the same and, again, those are general fund revenues but they would stay the same.

[2:37:15 PM]

The expenses would come down. When Rodney talks about his revenues currently, projected revenues for fiscal year 17 are currently a little higher than his expenses, they would now jobs a little bit more higher than his expenses if you were to make some of these reductns but it is --

>> Kchwhh meansre woulbe more dolls available. I theener fund. If fy18 if they're an enterprise department that wouldn't be the case but today they're still part of the general fund.

>> Mayor Adler: Would it raise or lower the general fund contributions? I mean, if the fees are generating the -- if the employees are generating fees I can understand why it would need to be authorized because you then couldn't height position -- so it goes back to your question. If these positions, if the cost of these positions are being offset by increased revenue, then to cut these positions is also to cut the associated revenue with the position. So in essence we'd be cutting a cost but also be cutting revenue as concerns these positions. And you said you weren't sure if they all were, and that might be a question for Rodney to give us information on which of these positions are not in essence self-funding I guess would be the question.

>> Kitchen: That's what I'd like to know. Which of these positions -- I guess that's the way to say it, which of these positions are not generating fees that cover their cost?

>> So if you have your concept menu, some of that was addressed in the concept menu and I don't know that the position Rodney has been talking about and some of the ones councilmember tovo has brought up are exactly the ones in the concept menu but the concept menu items we worked with coax

department on that, some of them were revenue offsets, some were not, some of them were partial. So you can see that? The responses to items 2.09 through it looks like through .214.

[2:39:18 PM]

>> Kitchen: Yeah. I'm reallylyng About the ones that mayor pro tem tovo raised.

>> Sure.

>> Kitchen: If you don't have the answer right now that's okay.

>> Those two would be -- so when you look at the planning officer position, as I had mentioned, that position doesn't do reviews, per se.

>> Kitchen: Okay.

>> What they do is make senior-level decisions on very challenging applications so the work is related but that person doesn't do reviews, per se. Then when you look at the community information planning manager position, that one is funded by the urban trees so it's not impacting the general fund. But that position doesn't do reviews either. That position of course is going to implement the urban forest plan, the plan that was adopted by city council.

>> Kitchen: Okay.

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

>> Tovo: And I just -- I just feel I must say I think we should careful what we characterize as a cut both for our own purpose and the purpose of the public because, you know, we have -- I have a document that I had an opportunity to go through last night, which is the fiscal year 2017 initial funding requests and I think health and human services, for example, asked for 290 new positions. I think they got one of those -- I'm not sure that it's fair to call those cuts and if we're gonna do it for one department we're gonna have to do it with every department that comes before us and talk about what they requested and what they got. We're all in a challenging year and clearly not all of our departments got what they requested. Some got a whole lot more than others in terms of what their initial funding request was compared to what was in the city manager's budget.

>> Mayor Adler: Okay. Yes, Ms. Gallo?

>> Gallo: So as we talk about these items as it refers to development services, you know, I think what's important to remember is that we've asked those departments to do two things. One is to become self-funding, to increase fees so the fees help pay for the department.

[2:41:18 PM]

And the second is based on the Zucker rockets there were a lot of issues -- Zucker report there were a lot of issues brought up, efficiency, being responsive, increasing turn times. As we talked about how cumbersome and lengthy the process was for the community to get their permits, to get site plans reviewed, it was really important for the department also to address those. So I'm -- I would be really concerned about cutting places in that budget because we've asked them to do both and I think just looking at the self-funding component is only looking at half the picture and half of what the council has instructed that department to do. So I do think as we talk about addressing affordability by making the permitting process, the site plan process more efficient and happening more quickly, I think it's important for that department and us to support that department when they say they have needs with funding for additional staff because that's how get to that point. Like I said I want us to be careful with us cutting things that we've asked the determined to do to answer to the Zucker report and increase the rate at which and the way in which we move through the development process in this community.

>> Mayor Adler: Anything else? All right. Did we want health and human services to consume? Couple? Come up?

>> Good afternoon.

>> Mayor Adler: Thank you.

[2:43:25 PM]

Any questions for health and human services? Would you describe the -- there's an \$800,000 item. Would you describe what that is?

>> Yes. That's the funding for the cost of living increase for our social service agencies. The [bleep] Here would be to cover those costs. However, we've actually have a \$500,000 short fall from the -- our initial request last year. So the logical response would be that we'd take that money to balance that, leaving roughly about 300,000 to could have the difference in the cola, instead of 3% we'd hope to get it would be closer to 1%. So that would be the strategy we'd use with this. Originally we had requested the million dollars as part that have ask and that hasn't occurred so that would be the strategy we'd use with regards to that, at least for the social service agencies across the board that we currently contract with.

>> Mayor Adler: Was there -- in the manager's budget is there 500 already?

>> Yes.

>> Mayor Adler: So explain to me, does that 500 relate to anything that you just described?

>> The 500,000 that -- in the manager's budget is part of what we're incorporating, would be incorporated here so that would be part of that that would not be less than what's in the manager's budget so that would be incorporated.

>> Mayor Adler: So help me.

>> Mayor, the \$500,000 in the manager budget was pertaining to a resolution in 2014 where council directed staff to include an additional \$1 million in the fy17 budget to fully fund, I believe, 33 contracts that otherwise would see a reduction in their funding. And we were unable -- only able to come up with \$500,000. We needed a million to hold those contracts at their currently level so I think what Shannon is saying this \$800,000 were it approved he would want to use \$500,000 it for that purpose and perhaps the other 300,000 could go to increasing the other contracts.

[2:45:44 PM]

>> Mayor Adler: Okay.

>> That is correct.

>> Mayor Adler: Anyone else have any questions? Mr. Zimmerman.

>> Zimmerman: I've got some constituents that are back on this item -- mayor's sheet -- I'm sorry I can't put this up, but it's on the uses of funds. We're still talking about hs1.07 and hs1.08, which is social service spending through aid, the Austin independent school district. My math says this is about \$2.23 million, parent support specialist and prime time afterschool programs. So the question is, we have now, you know, six school district that are represented by the 10-1 council instead of just the one downtown aid district, and what are we going to say to those other school districts when they ask for money next year because they're going to point to aid and say you're giving aid 2.23 million, where is our \$2 million? I mean, is there a policy answer that you have? Because I don't see now we approve this funding, I don't see how we avoid multiplying the spending to other school districts and that's something that my constituents are very, very strongly opposed to.

>> Garza: Mayor, I don't know if this is a question for director Jones because these are concept items that councilmembers put on there so you'd be happy to respond in part. Aisd is just not downtown Austin. Aisd is in, I believe, most of our districts. While I also share part of my district with del valle ISD, but I believe another big piece of that is aid faces recapture to a larger extent than any other of our

school districts. So we spend I think close to \$400 million of taxes that go back to the state. So that's \$400 million that austinites pay that does not fund aid.

[2:47:47 PM]

So this is not a comparison between, yes, we need to equitably fund every school district. This is a concept item that councilmembers brought forward, not health and human services.

>> Pool: Mayor.

>> Zimmerman: If I can respond quickly.

>> Mayor Adler: Hang on a second. Let's give someone else a chance to speak.

>> Zimmerman: Go ahead.

>> Pool: I think the distinction is aid is chapter 42 recapture school is required to send significant sums back to the state and I don't know about del valle but I know in my district, pflugerville is still a chapter 41 school so they are at least not yet having to send money back to the state. Part of our efforts with the parent support specialist is to provide the services that our parents and students and teachers expect and require and need, and that is the city's policy decision to help them out where the state has failed. And, you know, we've talked a lot about the school finance laws up at the capital, and I would urge you, Mr. Zimmerman, to go up there and try to change them.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Two counter arguments. I believe that the aid subsidies, in my view favor one school district over the six school districts that share our city limits has been going on a long time for many years. The recapture, interestingly enough, was the result of people complaining about inequality. They said, well, we have a rich school district here, there's inequality, it's unfair that aid is property tax rich and it's inequitable. Therefore, we need to create equity by recapturing the tax money and redistributing it to other poor districts. So, you know, the terrible irony here is now I'm hearing arguments well it's inequitable that we have to have recapture but the recapture was an answer to inequity so we're in this vicious circle of saying we have to have equity.

[2:49:52 PM]

We have equity. Then you say it's inequitable. So the other school districts are gonna say it's inequitable that they're not getting \$2 million of funding that they're not gonna buy the argument aid has recapture. Their not gonna accept that argument so I would like to see us strike this funding so we don't end up in a position where every other school district demands it in the name of equity.

>> Mayor Adler: I guess I look at it a different bit differently -- little bit differently. I see this as we fund the providing of certain social service and health and human services programs and we go to different providers and in this case my understanding is that if we're -- for this service, for this number of people that live in the city, this is the -- the provider of our choice to be able to provide that service. Just happens to be a school district. But the reason that it's not a subsidy for a school district, it's not something that would be equally going to all school districts, this is a service that's being provided and this just happens to be the service provider. Any further -- anything on this? Mayor pro tem.

>> Tovo: The last -- I'm not going -- right now it's in the base budget and there would need to be a motion to take it out. So I won't talk about my rationale for supporting it. I strongly support it and put it on the concept menu. I want to add one more data point I think is relevant, that is our estimate into 2015 is that 69% of the children, school-aged children are within the aid school district so that is by far and away, though we do have will or nine, I believe it's nine school districts that fall within the city of Austin limits, the greater mantle of those students are within aid's system and has been pointed out

some of those other school districts are not subject to recapture and have very different financial pictures.

>> Mayor Adler: Mr. Casar?

>> Tovo: Most of them are not but I don't have that data in front of me.

[2:51:55 PM]

>> Casar: I don't want to interrupt the aid --

>> Mayor Adler: Original what.

>> Casar: Original health and human services questions if that's okay.

>> Mayor Adler: Are we done on the school district?

>> Kitchen: This is slightly late. This is related not exactly the same but quickly on the school district, I'll just point out -- this is something just a heads-up to focuses I'll bring it up later when we get to this part of our discussion, but the items that we have here relating to aid, which is a couple of them right now, there's one that we received a lot of testimony about. It's a very small item but it's a victory tutorial program at 45,000. It's an afterschool program similar to prime time that we received a lot of testimony about. Somehow it's not -- not somehow. It's not in here so it's something that I'm gonna be suggesting that we add back.

>> Mayor Adler: Okay. Mr. Casar.

>> Casar: So other people may have already done this calculation but I got a little confused just in the testimony recently. Could you help us with the raw number of dollars that this council would have to add to the manager's proposed budgets to -- to cover the cost of living and cost driver increases for the contracts? And continue funding our commitments for existing health and human services contracts? How many dollars, not relative to the base motion here or what we've discussed Thursday, how many raw dollars do we need to add to the manager's budget to cover those two things?

>> I want to make sure I'm clear. That's beyond the manager's budget?

>> Casar: Correct.

>> Kimberly, assistant manager, health and human services. So the manager's budget has half a million dollars. We would need another 1.3 million, which would be 500,000 for the additional half of the short fall and 800,000 for the cost of living increase.

>> Mayor Adler: Thank you. That's --

>> Casar: Thank you. That's helpful. I appreciate it.

>> Mayor Adler: Mayor pro tem.

>> Tovo: On a different subject, our concept menu had a \$700,000 item for snap, for -- as I understand it, it was for enrollment as well as other support for that program.

[2:54:08 PM]

It's my understanding that 150, 150,000, would be the minimum necessary to draw down a matching grant from the county and I wondered if someone among your staff could address --

>> For which item? I'm sorry.

>> Tovo: For snap. And it is -- I couldn't tell you what concept item it is. It's no longer -- it's fallen off the last couple budget summaries. It was one of the healthy food initiatives that came forward. From the resolution, the report on the resolution, as well as a -- it was also a recommendation from one of our commissions, from our sustainable food policy board. So if you could tell me what -- clearly we don't have within our base budget that we're now debating we don't have any allocation, any additional allocation, in regard -- with regard to that, to increasing our investment in that program.

>> Yes, ma'am. Edwin Marty, food policy manager, office of sustainability, city of Austin. In regards to recommendation number 5, which is the fifth of six recommendations that our office put forward to address food access issues, healthy food access issues and decreasing the gap between those that are eligible for staff and those currently enrolled in snap in the city of Austin surrounding region it was our recommendation to allocate \$700,000 to address that inequity, recognizing we leave about \$200 million of federal funds on the table when that 47% of the population eligible for snap that's not currently enrolled does not receive those benefits, in addition to the \$200 million left on the table we have obviously a significant number of people not getting the kind of foods that their families need and that they need. So it was our recommendation to allocate \$300,000 for a coordinated messaging campaign which would bring all of the organizations currently doing snap outreach to the table to ensure that we are all developing the same message and then correctly identifying the population that's noted currently enrolled that's eligible and then utilizing 200,000 of that 300,000 to hire community health workers and to do other on the ground mechanisms to actually impact those communities that are eligible.

[2:56:19 PM]

So in addition we had \$400,000 allocated for supporting groups like the central Texas food bank to implement pilot projects around increasing snap outreach. So out of that we had recognized that \$150,000 would be an absolute baseline number to implement some of the projects that would allow us to become eligible for a matching snap outreach and education fund. So there's currently a significant amount of money that you the usda's snap outreach and education programs that requires a match, once you get that match you're eligible for up to a nine to one matching fund. So it's our best guess that if we allocate about a hundred thousand, \$150,000 we'd be able to get to that \$700,000 number by routing these fund through organizations such as the central Texas food bank.

>> Tovo: Thank you. I appreciate that. And, colleagues, you'll see that that is one of the proposed additions I have on there. I had it pegged at 150,000, understanding that the recommendations was a good deal hire, 700,000, and I think you've articulated really well how that money would be used and really we have such extraordinary need in this area for investments in that area. So I hope -- colleagues, I hope we'll be able to find 150,000 in the budget for that.

>> Mayor Adler: How much --

>> Tovo: Bear minimum.

>> Mayor Adler: How much does that pull down, the 150? Match for snap?

>> If it was all routed through the food bank and eligible for the matching funds through feeding Texas via the usda we could get nine to one.

>> Mayor Adler: Nine to one. How would you prioritize that with respect to food with respect to the food access and the expanding the healthy food retail initiative that were on that chart? And speak to the number that was there because I also heard -- there was some question about whether the 200 million was the right amount for the corner store, to talk about those dollars priorities --

[2:58:25 PM]

>> 200 million would get us very far.

>> Mayor Adler: 200,000.

>> In terms of trying to differentiate the food access funding is really about increasing the spectrum of healthy food retail in our community. We recognize the term food deserts is often used throughout the United States here in Austin we have a significant sector of our community that physically doesn't have access. These funds would be specifically to increase the availability from farm stands to mobile markets to healthy corner stores to grocery stores, recognizing best practice shows that there's not one simple

solution to increasing food access, specifically reducing the barriers to healthy food access, but instead creating a broad spectrum. So the \$200,000 is a baseline to help us continue the projects we've currently started. We have mobile market -- all those were started from funds from last year, all of them gotten over the hurdle of all our bureaucracies to get the fund, to get the projects started. We absolutely want those projects to continue funding. If we stop that funding all of those programs would stop, all of the grass roots community, Mr. All of the development of contracts to get those funds allocated to organizations would cease come the end of our fiscal year. So we absolutely think that that has to be done. To say which is more important I think is a bit of a difficult decision. You've seen the movie receive if I's choice, I think that's a good place to start.

>> Mayor Adler: Welcome to our life. Thank you. Thank you. Ms. Garza.

>> Garza: I appreciate the effort to get Mr. Marty to try to prioritize, but I want to point out of the recommendations offered through that food access, they totaled close to \$2 million. And so we've gone from 2 million to asking for right now I think we need to find about 200, 300 -- about 450,000.

[3:00:26 PM]

We went from 2 million to 450,000 and I think they've done a great job trying to prioritize the limitations of our budget. There were three ftes proposed through that item and now we're down to one trying to combine all these different duties of what those four ftes could possibly do. I want to point out there has been a lot to work to get down to what I believe is a reasonable effort. And I just want to reemphasize that a huge part of food access is the education, the education part and letting people know that you can go here for healthy food. And if these -- these programs have just started and if we take those away, we're taking away these efforts that we just started to try to get people educated on where they can go to buy healthy -- close to them, not having to go really far away, some drive to bastrop to get to a grocery store. And so this is just -- I think this is a critical opportunity for us to really address our food access issues. When one in four families in our community have trouble putting food on the table, the snap funding I'm thinking, mayor pro tem -- thanking mayor pro tem for bringing that up. We leave millions of dollars, federal money on the table, families could have access to millions of dollars of food that they are just not aware of, they are just not aware that program exists. It's a huge return on investment to get our -- some healthy food for our families.

>> Houston: Mayor? Mayor?

>> Mayor Adler: Yes, Ms. Houston.

>> Houston: May I ask a question about the snap program and I've got a lot of immigrants in district 1. The language access is a part of how we tell people about the resources that are available.

[3:02:33 PM]

Do we do conversations to participants in Vietnamese, Korean and Chinese or just in English and Spanish?

>> Yes, ma'am, that's an excellent question that we recognize those eligible for snap are nonenglish speaking, and tremendous amount of the outreach done through our health department, through the food bank and other organizations working on that are multi-lingual, but very few are addressing the growing spectrum of languages spoken in Austin. We just spent the last year working in north central Austin on a pilot food planning project and we were looking at over 30 different languages represented by community members. When we don't make that effort, when we don't allocate resources to overcome those language barriers we are missing a significant amount of the population and that requires significantly more money. There's no way to do that outreach without having to do both the physical translation but also the networking and community building. We're looking at the specific

amount of money that we looked at for recommendation number 5 specifically because it's a really challenging thing to do. It's challenging to create translation materials that understand the complexity of that language gap. So there are organizations working certainly in English and Spanish. Very little effort has been put towards that broader spectrum because of the cost benefit of the amount of energy it takes to do that, but we would highly recommend and we know that a significant member of the food insecure that's he will I believe because not receiving snap currently falls under that. But I would also say just as much as addressing the community that's snap eligible, we have a community called snap gap, gap eligible, that community just above the margin of cutoff for snap, there's tens of who sands of families throughout Austin not eligible for snap but having to make difficult decisions every day about whether to pay their bills or feed their families.

[3:04:41 PM]

We would like to see as many promise as possible that can agrees across that snap gap. Currently bilingual but it is not addressing the broader spectrum of the languages. Arabic and Vietnamese and French are spoken in Austin and --

>> Houston: So as those immigrant communities come into play and those that are here that are not at the high end of the economic scale, they are just kind of -- do you network with some of the social services organizations that work with that population?

>> Certainly we're working with a lot of the -- the immigrant and refugee organizations.

>> Houston: Like who?

>> Coalition is working on a broad and exciting community gardening and urban farming initiative so certainly those are at the table and as we have more funds we'll be able to funnel more resources toward them to make sure it gets to those.

>> Houston: But at the Vietnamese catholic church they have a social arms so there's no reason we couldn't be having those conversations with them and they could be using that information to translate culturally specifically so that the people already in the Vietnamese community can get this information. That's the kind -- I'm not talking about more money, I'm talking about making those relationships in other parts of the community where the people need the services.

>> Absolutely. And I would say the asian-american resource center and individuals are at the table and certainly we are looking at each and every day to create synergy and create larger impact.

>> Houston: Thank you. It's helpful to say it's not just by long wall, English and Spanish if you are working with other ethnic groups.

>> Councilmember, I would just like to add as part of our social service contracts, went sent I haveize contractors to do certain things and we could certainly talk about how they can partner with us getting bilingual and multi lingual messages about snap and other efforts in those communities that may or may not be part of food access.

[3:07:00 PM]

Those are things we would incorporate in our strategies in terms of going forth.

>> Mayor Adler: Mayor pro tem.

>> Tovo: One last question about the matching. So if we could fund \$400,000 for snap, would we be able to match that amount at a nine to one ratio as well?

>> There are actually significant funds available for match. I think we could get up to a couple million dollars, we would be able to match all of that. What our recommendation said though was what we thought we could do in phase 1 in one single year, \$300,000 would be enough to get that nine to one match and get us into the kind of programming that we would like to see done medley.

>> Tovo: So if -- immediately.

>> Tovo: So that starts to sound like the bare minimum really is 300,000 really more than 150?

>> Our initial recommendation was 200,000 and that's what we think we need to do to start this conversation.

>> Tovo: Okay. But we could get the nine to one match at 150?

>> We could get the nine to one match at 150. The challenge is the return on investment, the amount of time staff would need to put together the pieces and develop the coalition to make sure those funds are allocated. My concern was if we allocate less than that, it's not going to be as significant.

>> Tovo: I see what you mean. But more than 300 is probably more than we could commit to spending well within that year.

>> Yes, ma'am.

>> Tovo: So I have on my motion sheet 150 and I hope that we can work toward cuts to get that actually to 300,000.

>>>> Kitchen: Could I ask a question? I want to understand the matching a little bit better. So this is a federal government requirement that we put up dollars and then they will send the dollars down to us? Is that how it works or does it go through the state?

>> It's a federal program that allows local organizations and governments to match funds.

[3:09:05 PM]

So it's not a requirement, but it's an opportunity. So every single time an organization like feeding Texas, for instance, or it's time Texas develops capacity locally, they can use those resources to get matched through federal dollars. And there's two different -- not to get into the weeds too much, there's either snap education or snap outreach. Both tracks have different matches but both create eligibility to get federal funds to match those local dollars.

>> Kitchen: For outreach and education.

>> Yes, ma'am.

>> Kitchen: Not for the cost of food.

>> Correct.

>> Mayor Adler: Okay. Anything else from our health and human services folks? Okay. Thank you very much.

>> Pool: Mayor, I just wanted to add and they don't have to many could being bazitski up, but I believe committee what my colleagues have talked -- echo what my colleagues, we have started a healthy corner store and this program is getting really good press in the community and they are doing such good work. I thin to support the efforts in our budget to fund them so they can have the return on investment that is more than the financial gains. Thanks.

>> Mayor Adler: Colleagues, those are all the departments that we identified last week that we wanted to come and talk to us did. Obviously we have more staff here in more departments if other people want to do that. And mayor pro tem, why don't you go ahead and ask that question.

>> Tovo: I have some questions about the commodities proposed 10% reduction in select memberships, subscriptions and travel. My first question is I want to make sure those are coming out of which column on the sheet someone handed out the other day. I assume those are coming out of -- well, seminar training fee -- no.

[3:11:09 PM]

Which are the categories that will be affected by this change were we to move forward with it? I see advertising publication, awards and recognition, which I don't understand. Educational travel so I

assume that would be impacted. Educational promotional, I assume would not be impacted. Food and ice, it seems like, wouldn't be impacted, but I wonder if we might want to reconsider that. Memberships could be impacted. Registration I assume would not be. Seminar training fees I assume would not be. Just based on the language in our summary budget. Mr. Van eenoo, are the right person to answer that? We have individual departments here, but this was initially a concept to reduce all contractals and commodities throughout the city by I believe 10% and my response to I believe councilmember troxclair on that was there's many of these contracts I feel that we didn't have staff have the discretion, things like the Microsoft enterprise license, things like our contract with the Travis county for jail services and so the request to staff was could you please look through all those different contractual and commodity account codes and identify the ones that aren't like that. Things that are more realistically within staff's discretion to reduce. And these categories, the ones you just recited off, are the categories that we felt met the criteria that councilmember troxclair was looking for. So you can see on that sheet that we attached as backup, it was a total of \$4,127,819 of contract you'll and mom millions of dollars advertise from those accounts spread amongst the various general fund departments. And then what's currently on the mayor's budget would be a 10% reduction to those accounts.

[3:13:12 PM]

I have some additional information in regards to the departments then came back to us and so, for example, in -- if you looked at that first row, animal services had \$86,000 in those various accounts. Their cut target, 10%, would be \$8,600. And we do have some additional information in regards to which commodity codes animal services would recommend taking those cuts from. But we would leave it at the discretion of the department how to manage those.

>> Tovo: It's not just the specific categories that are called out in the document called next iteration of budget draft. It's actually any of the columns that appear on this sheet that we got last week. And then the amounts on the other side I am -- I am interested in knowing how the different departments are proposing meeting that 55,000 from -- from the public libraries budget is a question I would have.

>> So I can give you --

>> Tovo: Health and human services.

>> This information, I don't have copies of it. For example in the library, they've communicated back they would take \$35,000 from their subscriptions and 20,800 from educational promotional activities to get to their targeted reduction amount.

>> Tovo: I'm sorry, they are cutting both their materials budget as well as their program budget to meet that target of 55,777.

>> That's what they propose doing, yes.

>> Tovo: Okay. How about -- well, that concerns me. Before I move on to the next. How about health and human services? They are 32,026.

>> Health and human services proposed, \$8,000 from educational and travel, \$8,000 from awards and recognition program, and \$16,000 from

[3:15:16 PM]

seminar and training fees: Is is that's the level of information I have.

>> Tovo: This is helpful to know the general categories. Parks and recreation 52,000.

>> It's generally coming from advertising, education, educational travel. They have a lot of categories. That's why I'm trying to summarize it a bit. Memberships. Seminar and training fees, food and ice. Those are the biggest categories that they are looking at a lot of different categories.

>> Tovo: I guess I would like to hear more from them and from the library. And I'm not sure I understand the impact of reducing, say, the fires budget by 69, 9. I would hope that's not coming out of their education and training budget.

>> Most of it is coming from their seminars and training fees budget. Much smaller amount, about \$5,000 coming from educational and promotional activities.

>> Tovo: Okay. So I guess, mayor, the ones I would want to hear more specific information from, the departments are libraries and -- what was the other one I said? Parks and recreation.

>> Mayor Adler: And I didn't see it necessarily as being prescriptive as what Ed just said. There would be 400 and -- if there was 10% reduction, it would \$410,000 and then the management could decide whether that came proportionately from each of the departments or whether in one department there shouldn't be reduction and a few other departments should be 12%. In other words, it wouldn't be prescribed that way. And the manager could make that decision or that allocation however it was best managed.

>> Tovo: But I guess I appreciate knowing how the manager will direct that because to me there is a difference.

[3:17:20 PM]

If we're looking at, you know, impacting -- if we're going to ask the manager to apply that \$410,000 in the least painful way possible and to, you know, look at categories like food and ice and awards and recognition and travel first. You know, that's considerably different to me than knowing -- it sounds like it's going to be applied to every department within this list which will mean departments like the library are going to have to respond by cutting programs and materials budget.

>> Mayor Adler: That would be a question I guess appropriately given to the manager.

>> Tovo: Sure.

>> Mayor pro tem, Brenda branch, director of libraries. We reviewed each of the categories that were provided to us and we determined that there were two categories which would -- which we could take 10% from and not significantly impact our operations. Those two categories were the subscriptions category and we chose to take \$35,000 from our data base subscriptions and in order to impact our operations as little as possible we chose the two subscriptions that were the least used by our customers. And then the other category was the educational and promotional, and we selected \$20,000 worth -- \$20,800 worth of programming primarily from the new central library and since we're delaying the opening until may that will not have as significant an impact on our operations as it might have otherwise.

>> Tovo: Why -- I guess I need to understand what awards and recognition category is. It would seem before you cut subscriptions and programming at our new library or at any library that that might be a more appropriate category. But I guess I'm not completely sure I understand what awards and recognitions are, but your budget for that is \$24,313.

[3:19:28 PM]

>> I'm sorry, our budget for which?

>> Tovo: Your budget it looks like for awards and recognition is \$24,313.

>> For awards and recognition? That's correct. However, it was our opinion that we did not want to take any money from the awards and recognition because we have a committee that decides every year how they are going to spend that money to reward their fellow employees and it's done by a survey of all of our employees. And we felt that we did not want to impact our ability and their ability to recognize each other for the outstanding work that they do.

>> Tovo: And so that is within -- within each department's budget, that's a fund that's used to recognize the work that the staff are doing?

>> Right.

>> Tovo: Can you give us a sense, \$20,800 of programming cuts seems a lot even if you are just talking about doing it for three months. I mean three months -- can you give us a sense of the programs that will have to be trimmed for a --?

>> I'll ask Tony Lambert to come down and help me with that.

>> Tovo: I guess, you know, my concerns with this particular kind of response to the cuts, I mean we hear all the time about how our library system lags in terms of materials, the materials budget per capita. We know how important our libraries are in terms of the programs they provide to Austinites. I hate to see -- I hate to see us trimming some of our services, frankly. This is certainly something that I think people will -- an impact people will feel.

>> Actually because of the short period of time that the central library will be open, we are going to be restricted in how many really great programs we can present and manage in that period of time, which is why we thought that kind of a cut in the funding, we would still have enough money in there.

[3:21:33 PM]

What we buy with that is we pay local musicians and performers to do performances at the library. It pays for the refreshments that we serve at the program, publicity for the programs, but we're only going to be open from May through September, and so looking at that we felt that we could absorb that and not impact the quality of programs that we're offering to the public. With the data bases, the data bases were ones that are not used by that many people and we actually looked at our statistics to determine that these were low usage.

>> Tovo: Thank you.

>> Mayor Adler: What does low usage mean?

>> It means the number of people that are accessing those data bases so a data base that is only being accessed, say, by ten people a month, that's very low usage. And so you would stop that one. And normally we would reallocate to something that we think might be of more interest to people and get heavier usage, but in this case we would simply not plan on using that money.

>> Mayor Adler: Thank you. Other questions? Was there another department you wanted to hear from as well?

>> Tovo: Yes, thank you, mayor, parks, and I think our director -- director Hensley is right behind --

>> Sara Hensley, director of parks and recreation. For us we'll just have to go through and pick certain things. We did not turn in specific cuts and I did that for a reason. Under our advertising, which there's about \$71,000, we use that money for notifying community meetings and our citizen conversation and then our ability to notify the residents about our meetings. So the rewards and the recognition is the same as Brenda mentioned. We have some money in educational travel, but for a department our size it's very limited.

[3:23:38 PM]

It equates to about \$35 a person. The food and icy won't touch because that is directly related to the after-school programs and our senior seniors and so it's not food for staff, it's food for the residents in our community members. Where we would probably look at taking some of our funds would be under some local training, some subscription money and maybe even some other areas that are not significantly going to impact the public. And, you know, it is what it is, but that's sort of where we are.

We are very lean anyway in these areas, but -- but we'll try to find the -- I think it's 52,000 we need to come up with. We'll try to find it in other areas that won't impact the public.

>> Tovo: But as you mentioned with a large staff, these are pretty --

>> Pretty lean as it is. But again, in the spirit of what's going on and we support all the other initiatives, we will work hard to find our 52,000 so it can be used in another capacity. So we'll make it work Z okay, thank you. I appreciate that information. Thanks for explaining the food and ice. I figured there was some explanation for why that was so large. I guess I would like to ask one question of development services, if they could explain their seminar and training fees are at 541,000. I wondered, I wasn't sure if those were required for professional registration or if that -- if that too captured some other kind of programming that we're not aware of.

>> Rodney gone gone, -- Gonzalez director for development services. We have purposely asked for funding increases in seminar and training in direct correlation to the Zucker analysis from may of last year. When you go through the analysis that Mr. Zucker performed training is mentioned 131 times in his analysis.

[3:25:39 PM]

There are 23 different recommendations that target training within the department. More importantly, Mr. Zucker had clearly identified that we had a -- an inadequate resource for training. I believe our resources were approximately 60 or 70 thousand dollars for a staff of approximately 300. His rule of them was approximately 2% of your personnel costs, which is close to 600,000. So when you look at the training dollars that we have in the department, we're still probably about \$30,000 short of that 2% rule of them, but last year you may recall that we had requested additional funding from council and that was approved and this is the second year for that request to get us closer to that 2%. And it is specifically targeted to help us to pay for certain licenses and certification of our staff. We want the most trained, most highly educated staff that we can find to perform the quality reviews that we need in each of the applications that we receive. We have architects, we have engineers, we have licensed professionals on our staff and we want to make sure that we maintain the high caliber of staff, especially in this tight labor market where it's tough to keep an individual with those licensures and certifications and those professional degrees and we are fighting every day, of course, to fill our vacant positions with qualified staff and it helps for us to reimburse for licensures and certifications.

>> Tovo: So the -- so did I understand that at the time of the Zucker report that category was 60 to 70 suppose thousand dollars and it is proposed to increase to 541,000?

>> Not just -- collectively 60 to 70 thousand dollars.

[3:27:43 PM]

>> Tovo: Travel, membership, professional registration at 44,000. But your seminar and training fees struck me because they are almost double, say, the fire department's. But that is -- it sounds like a good deal of that would be new this year if we approved this year's budget.

>> Yes. And so what we look at is we look at the four categories, educational travel, educational promotional, the professional registrations and the seminars training. We look at all those collectively. We probably haven't been doing a good enough job of charging them to the appropriate category. And so yes, predominantly right now they are lumped into seminars and training, but when you look at what we did intend to spend for professional registrations, it's likely going to be more than the 44,000. We just haven't allocated those dollars to professional registrations. Whether we had received the additional funding of last year, we put it into seminars, training and same thing for this year, we put it into that line item as well. But when we look at it, we look at all four categories.

>> Tovo: How much is the increase this year? I didn't see it as a line item in your budget. I saw one for professional registration, but I believe it's been trimmed out of the budget that's now being considered.

>> That increase, I believe, is 250,000.

>> Tovo: Okay. And I think that the motion as I understood it, the motion that we now have on the table did not accept that -- or did accept that as one of the cuts. Am I right?

>> Mayor Adler: I don't recall.

>> Tovo: Okay. But in any case, it sounds like last year this figure was increased and this would represent an additional increase beyond that.

>> Mayor Adler: My recollection is that it recommended a partial funding of that but not a complete funning but I'll see if I can find that. So you are talking about it was on the cuts that -- on the staff offered changes yesterday.

>> Tovo: Yes, and it looked to me like it was one that was incorporated, so I'm just trying to get a sense of where we are now with regard to that figure.

[3:29:49 PM]

I think that figure is probably 541,000 minus 250.

>> I think that's correct.

>> Tovo: Okay.

>> Mayor Adler: So it maintained that cut. It maintained the \$250,000 reduction.

>> [Inaudible]

>> Mayor Adler: Yes. That is correct. I found it here. It maintained that \$250,000 reduction.

>> Mayor?

>> Mayor Adler: Yes.

>> Garza: By maintained, do you mean --

>> Mayor Adler: In order to have the -- the budget balanced, there was a \$250,000 reduction in training for the department. There was a -- the proposed increase in funding for training professional registrations and memberships were backed out. Were removed.

>> Garza: Okay. And I'm sorry that he walked away, but I had an additional question about the training. I could understand why training was reiterated many times because that's -- often when any department in any organization is not running as people want it to run, that's usually the issue, it's a training issue. Was it specific to outside training and is the majority of that funding for outside training or is it to fund in-house training of our employees?

>> It's a blend of both, of outside training and in-house training. There are 23 various recommendations within the 462 recommendations that address training and we certainly can provide those to council. With regard to the in-house training, you know, we have a very complex code, the land development code so we need to make sure staff is properly trained with regard to the code and we have eight manuals.

[3:32:00 PM]

With regard to exterior training, of course we also implement the international residential code and international building code and the plumbing code as well as we receive that training externally for our staff. For our staff it's a matter of consistency. One of the chief concerns that we've heard from our customers and citizens across the board is the lack of consistency with regard to the interpretations that we make. A lot of that is rooted in training that our staff when you have 325 individuals, each of them if they are not attending the same training can have different -- differences in interpretation. As I mentioned it's a workforce retention issue. Austin currently has less than a 3% unemployment rate. It is

very difficult for us to fill some of our key vacant positions, and, of course, conversely it's difficult to retaining people as well if they -- if it's a tight labor market. The other issue that we hear is quality in the work that we do and we are focused on quality, and we can address that through training as well. You know as well as I do that we get new standards all the time. The code has been amended 200 times. The international codes I recently cited get updated every two years so it's important for our staff to be well versed in any changes to either land development code, the criteria manual or those international codes. And I mentioned also a lot of this is licensures and certifications of our staff, our professional staff, architects and engineers that are part of the 325 that we employ.

>> Garza: But can you -- I'm trying to understand the connection. I understand retention. I feel like that would be more based on their salary. So I could see where we're in a competitive market where if some other organization, let's say Travis county is paying more for the exact same job but what does training have to do with it?

[3:34:04 PM]

>> Well, in terms of retention, we also compete with the private sector because we do deal with professional certifications like architects and engineers and in some cases their licensures are paid for by their employer whereas we haven't done that and that's what we're attempt to do through additional funding.

>> Garza: I'm getting confuse odd the licensures and training. If you are an attorney, you have a license. In addition to having your license, you do have to do C cles which whatever organization you pay for pays for that. Other things you need to know -- I worked for the state so I had to know state specific policies that I would be educated on. I'm just trying to understand the connection between the licensure, training and how that affects retention.

>> So to the first part we haven't paid for that. When you said that's paid for by the private sector we haven't paid for that and that's what we've intended to do with the funding we've requested is to actually make that payment of those professional certifications.

>> Garza: Okay. Thanks.

>> Mayor Adler: Yes.

>> Tovo: So I think my last question on this item is really one for the city manager as to how this changed were we do -- it is now incorporated into the budget. If we continue to have it in there and don't change that, how does the manager plan to implement it? Will it be across the board or will the manager isolate the areas that would be the least impactful in one way or another and then what would those criteria be?

>> Mayor pro tem, I think Mr. Van eenoo kind of explained how we understood the instruction in terms of how to do the application and so we took it at the 10% and then with the full understanding, the expectation that we have departments that, you know, certainly are challenged with having to, you know, run their operations and as you heard just from a couple of directors that they really need to look across the various categories to find out what would be the best way to implement that.

[3:36:24 PM]

And certainly they are trying to be a team player and trying to contribute and do their part. So I don't know that I have a pre-set answer for you in terms of how we would apply this. We can certainly, you know, work pretty quickly and getting with staff and come up with some criteria. I think it's understandable that there are some of these categories that we would stay away from. I can safely say like in the case with Sara where she talked about the food and ice where it specifically talks about programs, that would not be our intent. I also think, I don't want to speak for the city manager, but

there are certain programs that we have over the years have preserved and have felt to be extremely critical in times of challenges for the community and in budgets like the rewards and recognition program. I certainly believe that he would -- he would take a position that those are important for us to preserve because that helps with our morale and our departments, it helps with our employees that work very, very hard on behalf of our citizens every day and certainly it would be important for us to provide some measure of recognition and reward for their great service. They undertake initiatives on, you know, how do the pride values apply, how do they apply their ethics, how do they serve their community in the best way possible. So it's safe to say that certain categories we would stay away from and if you would like for us to come back with formal criteria in terms of how we would apply that we could do that and give you a better answer versus me trying to give you something right off the fly.

>> Tovo: Okay. I guess, you know, maybe we can touch base on it tomorrow and I don't know that I need anything super formal, I'm just trying to understand whether it's going to be allocated -- you know, the conversation has talked about that apparently it looks like the implementation is going to be every department is responsible for finding that measure of cuts. And I heard the mayor and maybe others say that wasn't -- that's not necessarily the intent of the council to be prescriptive in that way but I would like direction from the manager which direction he believes he would go in were we to continue along with this cut.

[3:38:39 PM]

Is it going to be applied to all of these departments are were there some -- is it going to be some and not all.

>> We can get you a response.

>> Tovo: Thanks.

>> Mayor Adler: Okay. Yes, Ms. Gallo.

>> Gallo: Mayor pro tem covered a the look of this so she may have covered it when I stepped out, but did you talk about the travel budgets within this document?

>> Tovo: Not really. It didn't sound like the ones that -- I mean some of the proposals were not to trim their travel budget, it was to trim other categories, but -- but we didn't go through all of them. We just talked about library, pard and development services a little bit.

>> Gallo: So let me ask the question about travel because as I look at this document, you know, the -- the ems budget for travel looks like I'm moving is 82,000, if fire is 72,000, police is 19,000. I mean these are pretty large amounts. And so could budget help me understand where the need for travel is within each of those departments? I just don't see other departments with travel budgets like that. It says city business, but I'm just curious what we're funding. You know, looks close to \$200,000 annually.

>> Yeah, I couldn't tell you off the cuff where they are traveling, but I know those directors are somewhere in the building so hope they are listening and come over here and can explain to you what their plans are for those travel moneys. These are for the fy 17 budget so I don't know the specifics much what their travel plans are.

>> Gallo: They just seem like large amounts and specific to just a couple of departments. So thank you.

[3:40:45 PM]

>> Mayor Adler: While we're waiting for the --

>> Is there a desire for staff to come back tomorrow with a -- perhaps a different plan than just a across the board 10% for every department? Because ultimately council will have to approve the budget by departments and once it's approved by a department, staff doesn't have the discretion to move it around between departments. So right now it's total of \$412,000 spread percentagewise equally across

all the departments. If there's a desire from council for staff to go back and perhaps rethink that allocation, we could. I can't say if we would come back with something different tomorrow or not.

>> Mayor Adler: I guess the question was one way to do it would be just across the board and at this level of dollars maybe that makes sense to do. It wasn't intended by the question to necessarily cut it up, as I understood the question that the councilmember had asked. But there was also not a desire to take away the discretion from the manager to be able to not do that in any department if it didn't make sense to do it that way. So I don't know how big a lift it is to look at that question. I think everybody is waiting to hear from you.

>> So I get that impression. I think that I did hear Mr. Lumbreras respond to the question earlier and I think that that was really a good response to the question. This is -- this is somewhat granular in the sense that from where I sit, it even becomes difficult for me to make decisions about cutting budgets at that level and, you know, really understand the impact or the implications it has for the department on operations or even their -- for example, their training requirements. So you I no, typically what we do is we working with them, that is myself and their respective acms, we give the department directors a good deal of latitude in telling us, recommending to us what they think makes sense in regard to their respective businesses that they oversee, their respective departments.

[3:43:08 PM]

So I would think we would do it that way. In some cases 10% in one department might really be too harsh and have some unintended consequences. You know, or just severe consequences. So the idea that we would start out simply with an application of 10% evenly across the board simply may not make sense. Some departments can withstand that reduction or even more than 10% more so than others. So, you know, it's not like linear so to speak, necessarily. So I will call on each of the acms and chief of staff to work with their suite of departments. You know, obviously 10% is the standard, but again we may have to make some adjustments in application of the 10% to get to the approximately \$412,000.

>> Mayor Adler: Does that answer your question? Okay.

>> Ott: Answering a question for Ed?

>> Mayor Adler: No, no, you did. It was almost reiterated question that had been asked. He was unclear as to what the answer was.

>> Ott: All right.

>> Gallo: So I think we have some of the departments to talk about the travel.

>> Mayor Adler: Do you want to tee up a department, Ms. Gallo.

>> Gallo: Whoever reaches the microphone first I think would be the answer to that. And thank you. It's just when we're looking at going across the line for advertising, education, travel, professional registration, those figures kind of jump out at you for those different departments. Particularly when we're talking about the difficult decisions that we're having up here to fund staffing, to fund equipment in the different public service, public safety departments. So help us understand why that money would be a priority over staffing or some of the other items we're being challenged with trying to find ways to fund.

[3:45:17 PM]

>> Renee Paulson, assistant director at the fire department. We actually keep our training and travel money in two different line items. There's the educational travel which was us 35,000 and travel city business which was the larger item you said was 75. Some of that could be our haz-mat team going to a conference in San Antonio and getting the latest techniques in haz-mat-type -- technical-type things. We have certain staff -- not what you are looking for?

>> Gallo: I'm going to ask you questions as you go through. To me that would be captured under educational travel? It seems like if you are sending staff or employees to go to somewhere to be trained.

>> There's not a lot of differentiation between educational travel and the other line item of the travel city business because the type of travel that they are doing for that training is related to their jobs and is city business. So in essence we oftentimes kind of combine those two lines together to form one training and travel budget. Does that answer your question?

>> Tom Goss, chief of staff. One other way, when we get a new fire apparatus, before we accept that fire apparatus, we have to send staff actually to the factory where it's made. They have to check it out so they travel up there and spend a number of days going over the apparatus before we can accept it. That is travel direct there any for city business.

>> Gallo: And that would make sense. That would make sense.

>> We have a lot of different examples of a lot of different personnel going through the different types of experiences that way. The main thing I wanted to point out we have it in two different line items, but oftentimes the training and travel will come from one or the other, but it's a mix.

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

>> Sure.

>> Jasper brown, chief of staff, austin-travis county ems.

[3:47:21 PM]

Notice on our line item it's on one budget line, travel so we don't split that up, but our travel is much the same. We have conferences and trainings we have to attend for those to maintain their certifications or users groups that have to go for software that they are currently maintaining systems on and have to get the latest updates so they continue like our patient care records and that's the travel they are doing with the city.

>> Gallo: Thank you.

>> Good afternoon. The only thing I would add that's different for the police department, we have a lot of investigative travel where we will travel to other states to follow up on higher level offenses, if there are witnesses or suspects we have to interact with at other locales.

>> Gallo: Let me ask you a question. When members of your department are asked to go to Dallas or go out of state to provide additional security functions, is that paid completely by the entity that is requesting that travel and that coverage?

>> There are two different circumstances. The ones that you have dealt with most recently was the RNC that we sent officers to and we send officers every four years for the past I believe four inauguration now to add support. Those are fully reimbursed and fully funded by the government. The other opportunity that we get sometimes where we travel is during emergency circumstances like when the hurricane hit Houston and we sent a contingent of officers. We normally engage in an emergency agreement with that jurisdiction and we get reimbursement once the federal government has reimbursed that jurisdiction, so yes, those are events that we do get reimbursed for.

>> Gallo: Okay. Thank you.

>> Mayor Adler: Any further discussion?

[3:49:22 PM]

Ms. Houston.

>> Houston: Mayor, this is a question for Mr. Van eenoo. And this is way outside what we've been talking about, but if there was an event held at the Travis county expo center, who gets the funding -- who gets the rental money for that facility? Does it go to the county, does it go to the city?

>> I think that's a Travis county facility so they would get the rental moneys.
>> Houston: Okay, I know they do the maintenance of it, but we have some responsibility there too so --
>> I think Elaine was saying they own the land, they own the facility, but --
>> Houston: Okay. Something just happened out there and I wondered if we got paid for that.
>> Sure. I don't think we're getting any money from --
>> Mayor Adler: Okay? Ms. Gallo.
>> Gallo: I've got a question that's really for the finance and budget office. So we -- the city manager proposed to create the office of performance management, and it's my understanding and maybe the city manager can help with this, is that it evolved into an fte from the finance department with a support person. And one of the concept temperatures that we're bringing forward as an additional fte to the auditor's department to help with transparency and to help get information more readily accessible to the public, and so I just wanted -- if we can have a little bit of an update on that, city manager, and just wondering if that position could move into the city auditor's department to fulfill that need for the transparency that I think would be really good from the public standpoint as far as the audit process that we go through in the auditor's office.
>> Ott: Well, the office is created and I think you know that Kim Springer is the lead in that-in that new office.

[3:51:29 PM]

I don't know what the staffing compliments so Ed or Elaine you will have to talk about that. I know it was obviously more than [inaudible] But I don't know the exact number.
>> Elaine hart, chief financial officer. We begged and borrowed last year to create this office from within our own department as well as public works had two vacant positions that they allowed us to use. What we are doing this year is restoring Kim's deputy budget officer position back to the budget office so that we can keep her as our performance manager -- performance office manager. And so we have five ftes in that office. We've got Kim and four other positions, one of which we transferred from budget and we've got the two that were given to us by public works that are -- and we've got this one that we would like to fill, it's vacant, this last one.
>> Gallo: So within that budget, within that office there is a vacant position that has not been filled yet that is part of the city manager's proposed budget?
>> It is. We are currently advertising it and they plan to fill it, but it is vacant at this point.
>> Gallo: All right. Thank you.
>> Mayor Adler: Okay. Council, does anybody want to talk to any other departments? So we have a base budget in front of us ready for and waiting for changes. I have been telling everyone on here that that budget balanced. It does not. The last change to what was handed out this morning was the increase in the reserve with the things that were on the budget, so \$100,000 was added to the budget.

[3:53:34 PM]

So where I said we needed one point -- so the changes, the selected items that totaled the 1.1 that was on the items from staff yesterday, as you recall I went through and identified a group that totaled 1.1. In order to really balance the budget, we would have had to have found 1.2 in that. So what I gave you was off by \$100,000. And the total that I handed out where it said Sunday if we were to raise \$1 million, it really -- this one, the things that were listed in the second column from the right total 1.1, as you'll see on the very last page. But in order for what I gave you this morning to actually be budget it need to have totaled 1.2. So as we start in front of us right now, we are behind by \$100,000. Does that make sense?
>> [Inaudible]

>> Mayor Adler: Well, there's 1.1 that's identified in there. But it's shy and I'm sure lots of people want to make lots of changes to it. I am just letting you know we start out 100,000 behind. Ms. Kitchen.

>> Kitchen: I apologize. I had to step out, did you all finish asking questions of staff?

>> Mayor Adler: Yes.

>> Kitchen: I had questions related to the economic development department. Did you already do that?

>> Mayor Adler: No, we have not asked the economic development department to join us. That would be good, we need for them -- if economic development department is here.

[3:55:37 PM]

Are there any other departments that council wants to give a heads up to? That they are going to be calling in?

>> Kitchen: Well, I had a question that was partially answered by our innovation officer and I think a quick question of her would answer the last part.

>> Mayor Adler: Is she in the room? Why don't you come up on, we'll let you start while economic development is coming.

>> Good afternoon. Mayor, council, city manager.

>> Kitchen: Thank you. I had -- I had asked a question earlier which you helped me understand about the innovations office idea accelerator. But I didn't -- I wasn't -- can you tell me again where the list is of those projects? I looked for it and wasn't able to find it.

>> Sure, sure, we submitted a question and answer to mayor pro tem's office related to the accelerator program and what the ideas were that we were funding and what was the purpose of the funding that was proposed.

>> Kitchen: I looked for that, but you wouldn't happen to remember which question number it was, would you? Or mayor pro tem, would you happen to remember? I'm looking for the document -- sorry. Doctors.

[Laughter] This is the question and answer related to the innovations listing of projects. If someone can tell me the number, I'll look it up. Yeah, I did a search.

>> Tovo: I did not ask that question. Actually I've got the answer -- I've got a draft. I've got that answer if you would like to look over it.

>> Kitchen: Yes.

>> Mayor Adler: Is that a budget question?

>> Kitchen: It's a budget question. That's all. Because I understand the purpose and I just wanted to look at the projects so thank you very much.

>> Mayor Adler: And what happens in that -- in the list of trying to find the 1.1, that was one of the things that were listed. And my recollection is that on the list that was given to -- to the council, it was cut in half, went from \$200,000 to \$100,000.

[3:57:50 PM]

What's the impact of that cut being made? If it were to be made.

>> Ultimately the program is about building capability that enables us to do small scale research testing and experimentation. We would like to be able to test ideas in a smaller way with a low investment before we build evidence for what ought to be a full scale implementation or whether there ought to be a full scale implementation. In a way this is similar to the reference, mayor, that you made last Friday when you were talking about our seed corn. This is, in fact, our seed corn. A lot of these ideas are very small in micro grants for employees' ideas, ranging anywhere from \$1,500 to \$38,000. Ultimately if the

fund is cut, then we reduce the number of ideas that we can put through a cycle of experimentation and testing and evidence building.

>> Mayor Adler: Okay.

>> Kitchen: And I do have another question. The list I have is for the full 200,000.

>> Correct.

>> Kitchen: So did you all identify what you would cover with the hundred?

>> Currently there are about ten ideas that are fully scoped with their needs identified.

>> Kitchen: Okay.

>> And that list is around \$100,000.

>> Kitchen: What's on that list?

>> On that list we would bolt the ideas into different types of categories. There are some related to public safety. The police psychologist has an idea about reducing trauma with 911 call takers. And the funding is going towards expert consultations, methodology, research and statistical analysis on the impact of her particular idea. There's also an idea related to safety that is light the bike lanes and this is an idea coming from public works. It's aren't \$8,000 where it's paying for materials that would illuminate bike lanes at night in one particular area and we would be helping them measure the impact of that as well as providing funding for the materials.

[4:00:02 PM]

Amaterials. There's I.T. Related ideas, I believe that's how the question was raced. One is for a user specific testing group. What we'd be doing we have design technology and innovation fellows whose job it is to help us bring practices of user experience design, front end development and project management. That testing group would pay for some of the fellows' time to make sure that we're doing appropriate user testing and appropriate usability testing to make sure that our software, for example, the new permitting app would be an example, that we want to make sure that it has good usability. There are -- there's another idea for a virtual reality tool. So this is, again, small scale, like \$5,000, where we buy the equipment, someone in our ctm has the expertise to virtual desperately we connect them to emergency medical services so they can use that virtual reality tool on the emergency ambulance, a big bug they only use one every so once in significant emergency situations. By using virtual reality we not only offer training on that so everybody stays fresh but we build a model of what it would mean to support virtual reality programs. That's some of the ideas of the top idea getters.

>> Kitchen: That's -- on this list that's 61,000 of the hundred thousand.

>> Correct.

>> Kitchen: Okay. Thank you.

>> Mayor Adler: While we have you up here, are you familiar with the Austin technology council?

>> Yes.

>> Mayor Adler: Let me ask you some questions about that.

>> Sure.

>> Mayor Adler: That's also something that's been put into play and to me, again, this goes to the seed corn issue to me. So the Austin technology council was very much involved in the smart city challenge and application that we made. Am I understanding -- my understanding is that that's something that was created by the council in 2014 in order to have a greater involvement of the tech community and workforce development, a greater involvement of the tech community in municipal purposes and the like.

[4:02:16 PM]

My understanding is that a big part of their focus is with respect to the workforce development programs. I think we're about to see a regional workforce plan that focuses on tech, health care, and trades. And that there -- I know that they've been involved in digital inclusion programs that we've had in this city, bringing in communities that otherwise are not exposed. They were involved in the tech hire inhabiter initiative that came from the white house, for kids who otherwise wouldn't be exposed to a career in those areas, and providing imitateways and after -- gateways and avenues and that their upcoming budget focuses on those things, that workforce development and stem, as well as regional investor inventory because that's within our innovation and tech community an area that we're not as competitive as we need to be. And dealing generally with the high tech ecosystem. Would you talk about that? There's some question about one of the things we're looking at in a difficult time is taking away the funding for those kinds of -- or some funding toward those kinds of efforts.

>> Absolutely. The key to civic innovation is really engage your tech community is Austin is blessed with a really great tech community. We're looking at bringing methodologies in around user experience design, as well as the different development methods that the tech industry is using here. It can make our technology development cheaper, and it can actually spur a new entrepreneurial community. Civic tech, as south by southwest has noted is one of the growing areas for innovation and market delivery.

[4:04:16 PM]

When it comes to, you know, smart cities and the internet of things, I was part of a south by southwest panel that noted the public safety arena nationwide represents about a \$60 billion industry for user experience design, as well as technologies. And Austin has the ability to be on the forefront of that not only as its industry, but also for its jobs and for the benefit of the public good. The Austin technology council was involved in my hiring, amongst a number of other citizen stakeholders. And we definitely reach out to them when it comes time to recruiting for these design technology and innovation fellows that join us for a year to bring their expertise inside of government and it's in that way that the tech industry gets to learn what it's like to be on this side of the counter, to upgrade our technologies, for example, into the development services department and they also learn what kind of needs -- they're very similar, actually, between government and academia and the health care arena and they can then bring those insights back to industry. One of the things that I foresee in the next year with these coalitions that we're building around the technology council and with smart cities and also with this design and technology program, the fellows' program, is that we've learned through tech hire, for example, that a lot of start-ups may not want to make the risk on a new hire, that may be straight out of a boot camp. But the way we're bake in mentorship in our fellows program, once we have one year under our belt, we'll be the first place a lot of folks can start and build a solid career before making imposing out to the start-up community because they'll have some really solid experience under their belts. So I foresee a future in which we are not only cocreating our policy with the technology industry when it comes to smart cities but we're also being a very strong foundation for technology jobs, maybe that first running of someone's first -- rung of someone's first job in the tech industry and siege staying neater city or moving on because of some of the skills they've developed here.

[4:06:38 PM]

>> Mayor Adler: Okay. Ms. Pool.

>> Pool: That's a really helpful description of what the hope is for the future with the Austin tech council. I just wanted to emphasize the piece about the local talent. We're looking at bringing in our current residents and give them this training and ideally it would be students, for example, so that they would learn -- they would get the skills to take advantage of the tech jobs that are in Austin. And my

conversations with folks with the chamber of commerce has been that there's a gap and we would rather have the hiring for tech jobs hatch from our local pool and rather than bringing people in from out of town when companies do relocate here, we really want to be ready and on the starting block so that our students coming from either from one of the universities or from the public schools can immediately step in there and take those jobs so people don't have to be brought in from out of town. So this is really good. And I know the city really needs to have this sort of workforce developed here. Thank you.

>> Mayor Adler: Further questions? Ms. Houston.

>> Houston: Yeah, thank you, mayor. This is not a question so you can be seated. Just an observation is that when Mr. Gonzalez was surveying I really appreciate the things he's done from the Zucker report to begin to get a handle on the development department, but last time we met or the time before, either councilmember kitchen or Gallo talked about the number of seniors that we have in this town, especially those that are -- own their own home. It doesn't sound like when we talk about community engagement that we're including people that are not into the tech field. So it sounds like we're talking about a different demographic of people who will be making the decisions for the rest of the people that live in this city, and I find that somewhat offensive because the people who have some wisdom are also -- some of them are on the internet and do have the tech -- but manufacture them don't.

[4:09:00 PM]

So we keep not talking about how do we engage the people who have helped create this city and are having difficulty staying in this city in the new city that we're creating. So I don't hear that conversation. I hear how we get -- impact the techs and the new people coming to the city but it's completely devoid of how we get information from the wisdom keepers who are already here. So that's just concerning to me with this last conversation. Half of that I didn't even understand and I'm sure most of the people who are in my age group would have some questions about what is it we were just saying about the technology council? I understand they have a very specific focal point but there's so many other people out there not able to contribute because we're exclusively looking at a group of people that are tech savvy.

>> Mayor Adler: Perhaps that was my fault for not having explained it well enough or explained it well at all. The Austin tech council with respect to workforce development, with respect to the tech hire initiatives, with respect to the digital divide and inclusion issues, are focusing specifically on communities that don't otherwise have a path into what is an otherwise growing industry in this city. So a lot of it is focused on trying to open those doors in ways that they -- they don't open on their own.

>> Houston: And thank you, sir, for clarifying that. But in the conversations I've heard prior to this one about -- from the tech council and today, they don't talk about how do we reengage the people who still have a lot of violate left but don't have the technical skills to be able to do some of the jobs that we're talking about. I don't hear that conversation. And so on behalf of the seniors, I object.

>> Kitchen: Mr. Mayor.

[4:11:00 PM]

>> Mayor Adler: Yes.

>> Kitchen: I'd just like to say something about, you know, we're all -- we're engage in balancing, of course. That's what we're trying to figure out today but I just want to remind people, as councilmember Houston mentioned that our city -- that our population is getting older, and the ability to age in place is just absolutely critical. And so we'll be asking a -- having a conversation later about the senior exemption. That's only one component of aging in place but it's a critical component, and one that --

that's a huge portion of our population that I think is very critical and I'm hoping that we do more and more as we continue to make this an age friendly city.

>> Mayor Adler: Yes, Ms. Pool.

>> Pool: And I guess what I would also add is that a student could be someone who is in her 80s, not necessarily in public school right now. I think that would be a challenge for the tech council to look at the training. It's really a straining initiative -- training initiative and could be a retraining initiative but to school in people who may be older who also are looking for a different career or want to try something different, as you put it, they still have a lot of vitality. I don't want us to think in terms of we are automatically putting limits on the age of the students because I know I don't because we're all learning and we're all older here. So, please, know that I appreciate your points and would say that in my mind a student isn't necessarily someone who is in her 20s or younger. She can easily be in her 70s and older.

>> Mayor Adler: Ms. Garza.

>> Garza: I had an economic development question.

[4:13:03 PM]

If you will are done --

>> Mayor Adler: Hang on one second. Did you have something on the last issue?

>> Tech, itc, Austin technology.

>> Mayor Adler: Let's finish that one fast.

>> Zimmerman: Let me join this conversation. I'm the only technical person on council. I was recruited to Austin in 2000 by Austin ventures, used to be a really big venture capital company here, kind of I guess dissipated. I've been involved in quite a few small start-up companies. I've also worked for big engineering firms. I really -- I have a fondness of course for tech. It's been very good offend to the Zucker me for 25 years -- to me for 25 years, I've made quite a bit of money through my technology work and I'm just deeply concerned about the blending of money, taxpayer money, going into the atc. I'm looking at budget question that councilmember Gallo put, in I think it's budget question number 86 on economic development. She asked the same question that I did about some of these increases, and it shows an increase of, I think, \$67,500 to the Austin taxicab council -- Austin technology council. I just want to see these organizations independent from taxpayer funding. There's tremendous value in having something like the Austin technology council provided that it is independent of taxpayer money. I can't emphasize that strongly enough. We need the chamber of commerce, we need the technology council, and we need them to be independent of taxpayer funding. So anything that my colleagues would put up here to disconnect taxpayer funding from these important technology groups I would support it. So I would ask you to -- you know, to ask for these cuts, obviously, my budget reductions have all been rejected so I'm in the position of supporting any of my colleagues that would like to reduce these amounts. So thanks.

[4:15:03 PM]

>> Mayor Adler: Ms. Garza.

>> Garza: I have a question on page 215 and it's a line item, it's business retention and enhancement fund. It says it's -- I'm trying to see. It has 275,000 amount and then the proposed budget, it says zero. So my first question is, what is the business enhancement retention fund? And why did it go from -- why did it go to zero?

>> Houston: Councilmember, which volume?

>> Garza: Volume 1, page 250.

>> Thank you, councilmember Garza. That's an excellent question. The loan fund was designed to help downtown businesses that were displaced find new locations so that they weren't removed from the downtown area. And it was funded through right-of-way fees that would build up over a period of time. And you may recall that last year the white lodgings fees, \$2 million was also put into that. So the entire loan fund rose to, I think about -- I think it was 4.3, \$4.4 million. And so as part of the economic development department budget we disagreed to return that to -- agreed to return that to the general fund so that's why we zeroed it out it currently it's been reduced from our budget, it's gone to zero and it's being used to balance the city's budget.

>> Garza: Okay. My next question was at the very bottom in tiny letters it says in addition to the amount shown above the fy6-17 budget includes 327,335 for critical one-time costs. What are snows.

>> Let me ask my assistant city director to come and speak to that.

[4:17:15 PM]

>> Garza: Okay.

>> Good afternoon, assistant director with economic development. That is one-time funds we were allocated during fy16 that will be used for colony park.

>> Garza: So it is -- it's -- it was one-time funds that hadn't been spent?

>> Exactly that will we'll be using in fy17 for colony park.

>> Garza: Just money that was allocated last year that didn't get used.

>> Exactly but we're in the midst of using funds that we will encumber in fy17.

>> Tovo: Councilmember pool.

>> Pool: I think one of the things that we need to kind of shake out in the conversation here, we were provided with an additional copy of the statesman article about the tech community get serious about lobbying city hall. We conditioned -- when I talk about the atc council I'm talking about the science technology and engineering and math stem education and workforce development. Talk to me about the fact that atc is talking about lobbying on policy issues at the council and the fact that we are talking about a contract with them where it appears these lines are blurring because I want to make it clear that my interest in the contract discussed with me prior to the development of the policy council was an initiative that began in 2014 and it was councilmembers Martinez, Reilly, and morseson and they set the ground work for the atc to begin and set the parameters for the small investment from the city to create a partnership similar to a chairman of commerce where we have -- chamber of commerce where we have connections coming up to the city council.

[4:19:16 PM]

I had talked with councilmember Morrison previously on a number of occasions about my interest in technology in Austin and I even advocated for us to have a committee just for technology and innovation but it was folded into economic opportunity when we made our different council committees. That was back a year and a half ago, two years ago. So I have an interest -- I have an interest in workforce development, and that was the key for me to try to Shepard this piece through, but I am really concerned with the trajectory -- with the angle off that this particular contract has taken as it has been developed in the newspaper and the conversations with the folks involved with the tech council. So I would like to get some sense of separation because if I am to vote for continued funding it would have to only be for education and workforce development and I think we have some restrictions, some legal restrictions against a city providing any kind of funds to any kind of a group for them to lobby. Specifically us. So -- and maybe the law department can help with this, but what do you know about that? What --

>> Pretty much I would like to say, councilmember, I agree and that is my recollection as well. And the objective for the small contract that we have with the Austin technology foundation is exclusively to work with fourth, fifth, sixth, seventh graders in the title 1 schools, there are 88 title 1 schools in Austin, and to work with the downloading in those schools, for example, there's in the del valle school system there's 4500 kids in poverty in those six schools. And to work with them to show them what are the alternative futures in the tech field so that they know that there's more to life than being either a basketball or a policeman or entering into -- to going into crime.

[4:21:28 PM]

So the 280 companies of the Austin technology council have, I think, 1600 executives who they have polled and over 60,000 employees who expressed an interest in working with those kids in that grade group, the younger kids, fourth through eighth in the title 1 schools to begin to show them these alternative futures. That's what we have really focused on. So we were a bit surprised too with the additional feedback from one of the staff persons or one of the persons that they were going into this other area. Subsequently, I will say that we've had discussions with barberie and the leadership and they have totally walked away from that and said that's not what their intention was, that their intention was in fact to mobilize the high-tech companies to hire the low-income students who are getting out of the schools and to hire the workforce. Now that contract hasn't been hammered out, but they have delivered us a revised scope of services that has nothing to do with lobbying, that has exclusively a system set up that they're proposing to use their 280 companies to work on workforce issues. So I kind of know the same thing as you, but I have seen the new scope of services, and it does go back to the original intent.

>> We're still in a difficult position because that has not been communicated to, for example, the press, which covered the fact that they were going hard into policy and lobbying and so any activity -- any action that we take here may -- you know, until that part gets straightened out for the community it may be difficult for us to be clear in what it is that we're possibly trying to do.

>> There's a strength, there's something like 4,000 high-tech companies in Austin, and this is the largest organization that represents a huge amount of technology companies.

[4:23:33 PM]

And to use them to address the core issue that Austin faces, which is the advocate our education -- of our economic poverty is education. And until you break the cycle of children in poverty, you're going to keep having to pay for the police services and the -- all of the social services. So how we structure that relationship with this group and others like that is a critical important and new policy for the mayor and council to contemplate. We would like to be able to bring you some options, but ultimately it's gonna be the policy that y'all design of whether you want a cradle to grave workforce system put in place for Austin. I think they have an important role to take, but I read the same -- to play but I read the same thing you did.

>> Pool: I would like to see the additional information and until I'm satisfied there are clear bright lines between the two, as in setting up a different 501c4 or whatever the formal decision is, I think I may just need to think about this further before continuing to pursue it.

>> If it would be helpful we'll forward the -- their new scope of services and let everybody have a fresh look at it and see if it meets your intention. I think that would clear the air at least in terms of the issue that has been raised by the press.

>> Pool: I would appreciate that. The additional information would be very helpful.

>> We'll could that.

>> Pool: In fact we're hoping to see that.

>> We'll see that immediately.

>> Mayor Adler: Mayor pro tem and when -- and then Ms. Garza.

>> Tovo: I think too we have this discussion at the work session. I think the Austin tech council has a lot of work in our community and I anticipate they will continue to be good partners and just be able to marshal the forces of industry leaders as you've suggested. But it really was my recollection and I thought you verified it when we had our work session discussion that their request for funding was in part what is the expression that keeps coming up?

[4:25:44 PM]

Seed corn? So that they could go and try to attract funding from regional partners and then have a sustainable program. I really envisioned that when we voted on it a few years ago as helping them get started, not being an ongoing source of funding for them because part of I thought the -- part of what they brought are connections with some of the biggest companies here in our area and so Mr. Johns, am I remembering it wrong? I really thought this was kind of a one-time funding source and we've now funded them a couple times since at least or one time since at least and being asked to continue that funding rather than, you know, having that be sort of a capacity-building grant that then they were able to use to to -- leverage a program moving forward.

>> There are two contracts, one small contract that was multiyear for them to work with the kids in poverty grades 4-8 and to do what I've just outlined.

>> The request to expand to a regional basis and to identify all of the databases and then to get matching funds from other counties and cities is what you're referring to and that was one-time funding and they had hoped to identify enough support so that it coulding like opportunity Austin but for workforce. After the amount of money that was raised was smaller than they anticipated, they came back again for this particular program, which is to try and start again. So I think that this is an effort to try and do what they originally attempted to do with the one-time funding. But given the fact that they were not able to raise -- I think it was only one city that participated financially. Their efforts have been to try a second time and with a new regional master plan community workforce being developed, I think that it has value to look at this one more time and see if they can't be plugged into how we organized workforce comprehensively.

[4:28:00 PM]

But you're totally correct. It was a one-time funding for that initiative to organize their efforts to map out all the high-tech companies and to identify potential matching resources.

>> Tovo: So the 70,000 that is currently in the city manager's proposed budget is for this effort of trying to match together regional or is it for a downloading program?

-- For a youth program.

>> The 70,000 is exclusively for the title 1 schools in Austin, the 70 -- somewhere between 77 and 83 title 1 schools and to focus on grades 4-8 to show the kids what black women who own their own Higgs, hispanic men who own high-tech companies to show kids they can aspire to be in robotics, be entrepreneurs and so on. So that is to mobilize these thousands of employees at the 280 companies to go out in an organized fashion. That's a little bit different.

>> Tovo: I appreciate that. I think what I would like to see since I have put forward as a -- put this forward as a potential cut, not the additional money but that particular program I think what would be helpful to me is to really understand what success they've achieved. How much youth have they reached? How much employees do they have out there, which schools? Really get some sense of how

successful they've been. I think especially given as councilmember pool said that it does seem like they are, you know, marshaling fund for other kinds of initiatives that are policy related and start to make me feel really uncomfortable about continuing to fund their activities.

>> Pool: Yes.

>> Mayor pro tem, I'd like to distinguish between what the foundation does, which is just working with the kids, and what the technology council does, which is more of a chamber of commerce activity.

[4:30:09 PM]

Which they're doing hiring. They're actually trying to plug 9,000 to 10,000 people from Austin into those companies. The Austin technology council foundation is a much more focused early childhood education program that is just getting underway this year. This is just a brand-new effort. They've just identified the schools, the community partners and schools programs. They're beginning to work with the counselors at each schools and they're beginning to map out how much stem is actually taught in the schools. We think it maybe less than 10% of the kids in the poverty schools actually get exposed to this. So I won't really have any data to share with you. I can share with you the scope of services but this is -- this is really -- they're just one year into it. This is the year where they're lining up the companies to actually go to the schools themselves.

>> Tovo: So we've been

[bleep]. Just to be clear, the budget question 157, councilmember Houston asked the question about how that breaks down and it says grants to other subrecipients, it doesn't say the Austin technology council foundation, which I understand from their website is a different entity. So you can understand why we're having some confusion.

>> Totally understand.

>> Tovo: Also I believe the amount has been quite similar but it sound like we've been funding the organization just for different purposes. Now we're suddenly switch to go a new purpose but there has not been any real communication about what that purpose is or why the Austin technology council is the right organization to fund within the arena of stem with downloading -- with downloading. I find myself struggling with this one. There are other organizations working within the area of stem and working with youth and I thought the reason we had been funding the Austin technology council is quite a different purpose and I see now it has been but now the purpose has shifted and we're being asked to contemplate a significant for a new purpose to slightly a different organization than the council itself.

[4:32:22 PM]

>> Just to be clear, the -- the one-time funding is what we would like to do now, again, to get a more solid footing on it. Where the issue came up of lobbying and so on, I read that as well, but I think that the original economic purpose is the same as it was on the original year of 1-year funding, just to be clear.

>> Houston: Councilmember Garza was first and then I was second.

>> Mayor Adler: Ms. Garza.

>> Garza: I know you probably didn't mean it this way, but this is the second time you've made a similar statement and referring to poverty cools and those being at del valle and I just want to point out that I think it's great that we have the opportunity to bring in organizations like this, but del valle ISD is really doing a great job of expanding their programs and in fact if you went to their high school they have an amazing Flav all the kids where they're going to college, where they've been accepted, they had kids accepted to Harvard. So in addition, being a police officer is a very honorable job.

>> And my apologies if that came across poorly. I should have stuck to the term title 1 schoolsees there you go.

>> There are 83 title 1 schools, including the six that I talked to about in del valle. And those have poverty rates between 65 and 95% but of course you're totally right, sure.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. Thank you, mayor pro tem, for bringing this up because I remember as you did that they were supposed to go out and leverage dollars with the private companies to be able to provide these programs so I also, now that the mayor has put this new term out, thought this was seed corn.

[4:34:28 PM]

I didn't know it was gonna become entitlement and we were expected to come back time after time that once they changed directions we were gonna come in to fund that, that new direction. I see that as a problem in a lot of the things that we fund, that we think we're giving them one-time funding to do X, they come back the next year and want to do Y with additional money and we haven't gotten a product from X yet. And so I'm concerned about the blurring of the lines between the technology council. Don't know about the foundation, but everything talks about the technology council. Who is accountable then? How do we know the money is not being used in a way that was not what the purpose was originally to address? We've had that problem with public improvement districts, where they use some taxpayer money to fund something that some people thought was inappropriate. So once we get into those kind of gray areas, how do you -- how do you monitor that to make sure that the funds that this city gives it, goes to that purpose?

>> Yes, councilmember. These are performance-based contracts so in the one-time funded contract that the Austin technology council, they had to produce a series of research papers and documents that mapped out all of the high-tech companies that we would then be expected to use. They did successfully do that. So they've mapped out the entire infrastructure of the high-tech companies in the region. That's a very good bit of information for us to have as we begin to leverage those resources. The areas where we felt short was their effort to try and measure private resources from the public sector.

>> Houston: So the private sector. I thought it was the private sector.

>> The public sector.

[4:36:30 PM]

>> Houston: They're going after more public sector dollars even though we've got how many tech companies in town.

>> About 4,000.

>> Houston: Hold on, calm down. 4,000 tech companies. I heard them going after private dollars to help generate not public -- additional public dollars. Maybe I heard it wrong. It was last year so I don't remember that as clearly, but I'm almost sure that that was supposed to be a public-private partnership.

>> It was supposed to be a public-private partnership. They were to increase their membership, which is all private, and they did. And they were to make this -- they wanted to do this on a regional basis so they wanted to go to Round Rock, they wanted to go to other communities in the metro area just like opportunity Austin has money from Austin, it also has money contributed by round Rock and other communities. So that was their model to leverage the city's investment one-time funding with public and private dollars so they could begin to implement the strategies that they outlined. So it is leveraging private dollars and other public dollars but the other public dollars, it was anticipated they would come from other governments.

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

>> Tovo: Mr. Johns, can you speak to the other two contracts? I know that I received from your staff the contracts this morning that are part of the atitit wireless at UT Austin and ati bioscience at UT Austin and just based on my research about those two entities and my real quick skim of these disagreements it seems to me in the budget there's fund to go -- I'll just tell my colleagues this is also on my list though I want to ask questions about it first but it also was returned in the response to councilmember Houston's question 157.

[4:38:34 PM]

It seems to me that these are investments we are making in the incubators at UT that are encouraging workforce development in particular areas. Is that the upshot of what those contracts are that we're -- these are incubators helping to stimulate local companies within those fields and we are making an investment in the work that those entities at UT?

>> That's correct.

>> Tovo: Work that those entities are doing.

>> The two incubators in I.T. And in boy, they're -- bio, their objective is to generate local companies in those fields which will then expand, hire locally and have their manufacturing done in Austin. So Wednesday there was the graduation of 19 new companies, most of them were biotech, and they raised \$230 million to get these companies started in Austin. And they're now working with the Austin regional manufacturing association to have whatever it is that they have developed, to have that manufactured and for the hiring to be done locally. So it's a turnkey operation and since I think over the last ten years 200 companies have been started, but it's really -- it's gained a lot of momentum recently but I do remember I didn't attend the graduation Wednesday but it was 19 companies and \$230 million.

>> Tovo: And I appreciate the work that they're doing. I'm not terribly familiar with either of those entities unless one of them was actually ic squared and then changed its name. Is that possible? Or is ic squared different? They seemed to have -- it looked like one of our contracts is with ic squared as well as with this other entity. This any case from what I was able to learn it sounds like they're doing really interesting work and we want them to continue to do that work and encourage and incubate those companies.

[4:40:37 PM]

I think the question I have for my colleagues and for you as well is, in such a tight budget year where we're balancing things like trying to get money to help people put food on their tables, I guess I'm wondering whether UT and their incubators really need our investment. So can you help me understand? I think it's great to be able to be participating with UT on some of these ventures, but can you help me understand what impact it would have on the work of those incubators if we're not able to make that investment this year?

>> I think that once a year you get a presentation from Isaac Barkus at the center ic squared giving an update on what it is they're doing, and I called him to see if he would give some feedback.

Unfortunately, he's in New York raising funds here. But the return on investment is the amount of taxes that -- the number of companies that is set up, the amount of taxes that they pay, the number of people that they hire as entrepreneurs, and then it's the manufacturing jobs that are created as a result of those companies being generated in Austin. I don't have that information for you today. But that is the -- that is the logic and the historical accuracy, at least to the degree of he have year they make quarterly reports to us to show progress then there's an annual report to mayor and council every year to outline

which companies are expanding and which are manufacturing here. But I hear your question. We do measure that roi but I just don't have that information.

>> Tovo: But, I guess my question really is it sounds like important work. Will it continue absent our -- it sounds like it's much more expensive really than, you know, our \$108,000 investment can cover. We're clearly not covering most of their operational cost. Does that work continue if we're not able to make these investments this year?

[4:42:43 PM]

The work that their organizations continue to do.

>> I can't answer that question. I just don't have that information, unfortunately.

>> Tovo: I appreciate that. Okay, thanks.

>> Kitchen: Mr. Mayor, I have a question. I have a question on the same issue. So little bit different. So this -- how this historically in terms of the amounts that we've funded in this how much we've funded them in previous years in.

>> Let me ask that question to our --

>> Kitchen: I'm talking specifically about the two items that the mayor pro tem has raised good my recollection, it has been very stable for the last ten years.

>> Kitchen: Okay.

>> Sylnovia holt-rabb again, assistant director. In fy2012, all of our third-party contracts took a 5% budget reduction so they were reduced in fy12 by 5%.

>> Kitchen: Okay. But since then they've been the same.

>> Yes, level funding.

>> Kitchen: For example, the 118,000 on the bioscience is what it has been consistently is this.

>> That's correct.

>> Kitchen: All right, thank you. And then I would just say I -- my question would be the same as the mayor pro tem's at this particular time. These are great programs and it's not a matter of a reflection on the program or on their roi. I'm sure their roi is fantastic, but the roi, you know, that benefit doesn't translate directly when we're looking at things like access to food or other things like that. So thank you.

>> Thank you.

>> Mayor Adler: Any further questions? Okay. Yes, Ms. Gallo.

>> Gallo: Come back. Don't leave so quickly. We're just a little slow up here. So can you help me understand why schools of higher education look to cities for funding?

[4:44:52 PM]

You know, we're looking at a university that it's a world renowned, one of the top research facilities in the country and they just completed not too long ago a really robust gazillion dollar capital campaign. So I'm trying to understand where -- when the purpose of a university is to concentrate and to train and to do research, why there would be a reason to look to our -- look to us for additional funding. Why would that not be something that would be the responsibility of the university to do within the scope of what their purpose is?

>> I think that's a very good question. Universally, universities have a -- kind of a -- an economic impact on the community for the people who visit the university, for the professors, for their -- there's a huge economic impact for the university. And it is I think accurate to say that the university is one of the leader in entrepreneurship. So what they teach they hope has a direct impact on our community financially. So it is pretty traditional that companies that emerge out of these incubators, for example, have had public-private napes include cities, whether it's in Austin or it's in Harvard or at the university

of Florida or wherever. It is very common that there is a frustration the local community. Because the local communities have an interest in trying to grow their own small businesses and their own entrepreneurship it creates a cascade effect on the prosperity of the city. So it is -- I can't speak to the wealth of the university. But I can say that it is a very hot trend. It is a trend for companies and for cities to invest in the universities where they're generating entrepreneurship, new companies.

[4:46:55 PM]

I think they have a deep history in success on that and the return on investment is measured every year. I would prefer that they come and speak to you about their strategy but I will say that in -- whether you go to Ohio state and Columbus or you go to other cities, the cities are actively involved in the university's expansion in entrepreneurship.

>> Gallo: Thank you. I just, you know, as we sit up here and try to balance all the needs of the community, we also have a community that is very giving in supporting the universities. It's a wonderful university in our city and we are so blessed to have all of them but just trying to understand that where in your mind, not the university's mind, but in your mind representing the city and representing helping us balance the needs of this community that this contribution that keeps being asked of the city of Austin to provide is on and I understand there's an economic result that comes from the university and citizens drive all the people that great and all the old people that graduate from the university but we also as a community have to provide the ability for those people to stay in our community through affordability and housing and benefits that is the responsibility for us to do. So from your standpoint as a director of the dreamt help us understand where you think that responsibility lies. I know any university would love to us contribute as much as we can and would love any city to be able to do is that but once again we're having to balance our responsibilities under the charter.

>> Totally understand. Our philosophy as a department is to ensure the prosperity of all the citizens, all the entrepreneurs and the neighborhoods and the community.

[4:49:07 PM]

They can pay for the things that their residential community can't pay. So generating more entrepreneurship and growing small businesses and getting more start-ups, the payback on that is such that it increases the commercial tax base of the city which you see happening that is one of the bright spots, while we have a lot of growth of poverty we also see that we have a fortunate of a 5% growth rate mostly because of the commercial properties, not exclusively, but the commercial tax space. So our focus is to grow the commercial tax base so it can cover the costs of the social service delivery programs and the infrastructure costs. I think it's a balancing act ultimately it is a policy that I know y'all will make the best decisions on. It's not possible, I don't think, to look at people who don't have food and say that's our priority. Of course it is. You're charged just like us at trying to take care of that but also build a strong economic future for the city in the unlikely event of the next turndown. So I would like to say that we try very hard to focus on increasing the commercial tax base so that we have the money to spend in the first place. And the return on investment with the incubator seems to bear out it's a good investment but I would invite them to come back and have discussion with you so you can ask the same questions. They have had 200 high-tech companies grow out of that. Last week two some odd \$000,000. So that's a -- really a question for y'all. I think it's certainly worthy. We wouldn't be continuing to fund it to this point if we didn't think that it was having a good return on investment, but thank you in allowing me to be a little philosophical yes, I do okay, thank you.

[4:51:10 PM]

>> Mayor Adler: Ms. Houston.

>> Houston: Mr. Johns, there's concordia, St. Edwards, houston-tillotson, txdot state right down -- Texas state right down the road. Is UT usually the go-to university or do we reach out to other universities in this area to help us do whatever it is that UT is doing?

>> I think that UT of course has a unique role because of its size and its a top ten research university and because there's so many alumni in Austin. But of course we work with concordia, St. Edwards, Austin sleuth, we work with Houston Tillotson, as you know. We're trying very hard to grow the industries of the mind in Austin so that we have this magnified economic impact from our educational institutions.

>> Houston: Okay. So just as they have the largest student body and the largest athletic department as far as money they've got a lot more money than some of these other schools too. So the investment to me would be in something other than the university of Texas because they are one -- they don't always say this, but they are pretty wealthy so that's just my comment, is that -- that's just my comment, I think if we're using taxpayer dollars to incentivize and invest in the future we need to try to spread that wealth around and not use UT as the go-to.

>> Thank you.

>> Mayor Adler: Anything else? Thank you.

>> Thank you.

>> Mayor Adler: Any other staff we want to call up in, so council, what's your pleasure? It is 5:00.

[4:53:10 PM]

At 6:00 we have planning commission that comes into this space. Do we want to -- we have this set on three days so that we could fast if we needed to on first reading and on second reading and on third reading. I think we're required to pass it -- we're required to pass it by Wednesday so we have to pass it on third reading by Wednesday?

>> Yes.

>> Mayor Adler: That becomes our legal requirement. We don't have to take a vote tonight but if we don't take a vote tonight that means we'll have to have at least seven votes at some point to fulfill our duty on either Tuesday or Wednesday. And so, I mean, obviously we have a very unfinished product in front of us right now. There's no chance to start working with it. Do we want to use the next hour to call some votes on some cuts? Or some items? Do people want to have a chance to be able to think over the night? What's your all's pleasure? Ms. Kitchen.

>> Kitchen: I would suggest whether we start today or tomorrow that we start by looking at the -- the side of the equation that's the reductions. So I would thought we start on that side. I don't have an opinion on whether we start now or start in the morning.

>> Zimmerman: Mr. Mayor.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: I vote to recess this now and start with the cuts in the morning as councilmember kitchen indicated we've -- that would give more time to people to defend the budget numbers. I'd like to come back in the morning and start finding savings.

>> Mayor Adler: Okay.

[4:55:11 PM]

Ms. Garza.

>> Garza: I was gonna say I suggested we start with cuts at about 10:30 today but we're here. So I definitely think we need to start tomorrow as quickly on time and start proposing cuts. And I know that

some -- I feel like some councilmembers have -- are a little cautious about certain cuts and my suggestion would be let's go through all the cuts and then we can add stuff back in as there's room. But I think it's real important that we go through all the cuts to see what we have to work with. There could be enough left over to add things that we cut out that surgery people would have preferred to keep in.

>> Mayor Adler: That would be fine by me. What do other people think? Mayor pro tem.

>> Tovo:.

>> Houston: I was just gonna ask a question on the third day we have to have seven folks vote.

>> Mayor Adler: If we don't vote tonight we'll need seven votes to pass the budget. We could vote on first reading tonight. And then it would only require a six vote on Tuesday and six vote on Wednesday. If we don't vote tonight we need a seven vote.

>> Houston: On Tuesday and Wednesday?

>> Mayor Adler: Tuesday or Wednesday.

>> Houston: Or Wednesday, okay. I would prefer not to vote tonight. Because there's been so much information and I need to go back and look at the list and come back tomorrow with -- or put on the message board possible cuts or reductions.

>> Mayor Adler: And I was mistaken. Planning commission meets tomorrow night. Tomorrow is the campo meeting that is the conflict tonight. But tomorrow we would have until 6:00 as well as unless we move them or move to a different space. Mayor pro tem.

>> Tovo: I need to let y'all know I have a hard stop too tomorrow sometime around then.

[4:57:14 PM]

I want to be clear on what our statutory Klein is Wednesday?

-- Deadline is Wednesday?

>> Yes, the statutory deadline is Wednesday. If you went past --

>> Kitchen: What time on Wednesday?

>> The statutory deadline is Wednesday.

>> Tovo: Thank you.

>> We've noticed it for these three days both in the paper and you've given that information out. So I think the public is expecting that you will make the decision in these three days.

>> Tovo: And I expect that as well. I want to make that clear, what our absolute timetable is. As long as we are able to pass it on two readings tomorrow or two readings -- we need to pass it on two readings tomorrow.

>> Mayor Adler: No. The truth is that we could pass it on all three readings Wednesday but the same --

>> Tovo: We just need some votes.

>> Mayor Adler: With the same seven votes. If we don't take a vote tonight it will take seven on one or siege of those days.

>> Tovo: I think siege we take it up tonight or tomorrow morning the cuts but hopefully we'll move rather quickly once we get started -- started.

>> Mayor Adler: Go ahead.

>> Kitchen: I wouldn't mind starting tonight for half an hour or so if there's ones -- starting from the document that the mayor put together and just go through them. I'm assuming that there are some that we could easily dispense with from a reduction standpoint. I may be wrong but if I am that would give us a start.

>> Casar: My --

>> Mayor Adler: Mr. Casar.

>> Casar: Sorry, I just wanted to hop in there. I think we will -- from my perspective I think we will save time if we break now. We can go through, meet with our staff, go through all the presentations we saw,

go through our notes and then we may -- I think it will be more expeditious for all of us if we go get serious about our notes from today and get started quickly tomorrow.

[4:59:20 PM]

I think there will be less uncertainty or I would ask that we are less uncertain tomorrow than we are today.

>> Mayor Adler: So that sound right? Ms. Garza.

>> Garza: So first if we did tomorrow first and second that requires seven as well?

>> Mayor Adler: If we do more than one vote on a day, it requires seven votes. So we could do first reading tomorrow, it would be six votes. If we wanted to do first and second tomorrow it would take seven. If we wanted to do second and third on the same day it would take seven, first, second and third on the same day it would take seven.

>> Garza: I don't know if that's right.

>> It's an ordinance so you need seven votes to pass the budget. Incomely you need three read but if you have seven votes you can do it all at one time.

>> Garza: It's still majority. If we did first and second tomorrow it would require -- we could do six votes.

>> Mayor Adler: I misspoke.

>> If you have six votes you're gonna pass it -- it will pass but you're gonna need six more votes and six more votes. You're gonna need seven votes in order tonneaus ordinance -- pass this ordinance.

>> Garza: Period.

>> Period.

>> Garza: Regardless if we did first reading today.

>> You need seven votes to pass all three readings, majority pass it's one time but you need three readings, you only have three days. If you don't vote today you're gonna need seven votes in order to pass this by Wednesday.

>> Mayor Adler: We would need seven votes regardless because it's an ordinance.

>> Six is a majority. You need it three times.

>> Mayor Adler: Is seven only because we're taking more than one vote on a given day or is it seven because --

>> Normally you have to vote three times for an ordinance, you need a majority. If you get seven votes you pass it all at once rather than having three separate readings.

>> Garza: If we did first and second meetings tomorrow, how many votes will we need it to pass?

>> Mayor Adler: If we're passing first and second reading tomorrow.

[5:01:22 PM]

>> You would need.

>> Garza: Six, right?

>> You're gonna indeed seven votes to pass it on more than one reading.

>> Garza: Okay, thanks.

>> Gallo: Mayor.

>> Mayor Adler: So the way it's -- the three readings. So as to ensure there's only one vote a day. But we can waive the one vote requirement with seven people? Mayor pro tem.

>> Tovo: Mayor, one way

>> Tovo: One way

>> Tovo: One way to proceed would be pass being this today, with the understanding we have quite a bit of work to do. I don't believe we have a balanced budget so we'd also need to strip something out

before we passed it on first reading. I assume you have to have a balanced budget, even on first reading. But we could do that today. We could just -- to pass it along on first reading, and then we only need six, but I'm indifferent to what we decide to do, unless there are several of us that might vote against the final budget and put is in a real difficult position.

>> Mayor Adler: For what it's worth, I would recommend voting on first reading, and we don't have to balance it because it's incomplete and we're allowed to pass an incomplete budget. But that allows six people on the dais to be able to ultimately approve, and we don't get back this day if we find ourselves - - hopefully, we're not in that place, and I can't imagine we would be in that place, but if we were, we would all be looking back to tonight and wishing that we had done this differently. Yes, mayor pro tem.

>> Tovo: I was just going to make a motion, but it looked like maybe some people at that end of the dais were going to --

>> Mayor Adler: Ms. Garza.

>> Garza: Go ahead and I'll speak to the motion. I'm not voting yes on first reading, but --

>> Tovo: Okay.

>> Mayor Adler: It's been moved for approval on first reading.

[5:03:23 PM]

Mr. Renteria seconds that motion. It's obviously incomplete. It doesn't balance. It would be --

>> Pool: What are we voting on in I'm sorry.

>> Mayor Adler: It's the manager's motion with the changes that were read earlier and with the changes I read out.

>> On first reading only.

>> Kitchen: So, Mr. Mayor, what we're talking about voting on is changes you put forward. Without the opportunity to make a few changes for these, I can't vote for it even on first reading.

>> Mayor Adler: Well, let's do this. What would be the things that would have to come out in order for you to be able to vote for it?

>> Kitchen: The senior exemption, if you take that out, I can vote for it.

>> Mayor Adler: Okay. So if we take out the senior exemption cut, it doesn't balance -- do we need that to get -- I mean, I would do that in order to move it forward, because it doesn't change anything. We're going to still have that conversation tomorrow. I don't know if -- let me ask this question. How many people here would push -- let's get a sense of the dais. On the motion that the mayor pro tem made that was seconded by Mr. Renteria, are there six people that would intend to vote for that?

>> Say it again?

>> Why don't we take a vote.

>> Renteria: Point of order --

>> Mayor Adler: Let's take a vote. It has been moved and seconded --

>> Tovo: Having made the motion, let me just speak to it. There are definitely elements in here I'm not comfortable with. I'm willing to vote for it to pass it along, but I think if there are serious concerns about even taking this reading on first, on even taking this vote on first reading, I will gladly withdraw my motion if it makes -- if it makes some of my colleagues very uncomfortable, I'm happy to withdraw my motion.

>> Mayor Adler: That's why I was looking for kind of a sense on the dais before people had a chance to vote.

>> Casar: And if we're start making changes to this to pass it on first reading, I'm not comfortable with us making the motion because then we're getting into changes and that opens a can of worms.

[5:05:32 PM]

I would rather -- just to clarify councilmember Garza's question, if we have seven votes to pass on first and second tomorrow, can we pass this on six, six votes on the third day? Okay. Well, I met seven of my colleagues to vote for this budget anyway, so let's just not get into edits today if that's what we're going to have to do.

>> Mayor Adler: I agree. I think there's too much uncertainty at this point. Would you withdraw that motion? Okay. Tomorrow we're set to come back here at 9:30. For what it's worth, I will not be walking in tomorrow with a budget.

[Laughter] So we will adjourn until 9:30 tomorrow morning.

[Adjourned.]