

City Council Budget Adoption Reading Transcript – 09/13/2017

Title: ATXN 24/7 Recording

Channel: 6 - ATXN

Recorded On: 9/13/2017 6:00:00 AM

Original Air Date: 9/13/2017

Transcript Generated by SnapStream

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[9:51:59 AM]

>> Mayor Adler: All right. Today -- today is September 13th. It is 9:51. We're going to go ahead and convene our continuing hearing on the budget and the other 11 or so noticed items. We said we were going to start today with Ed reporting back to us. Then we would have a conversation about the H.O.T. Moneys which would include both whether 8.6 is the right number and then whatever the right number is, what we do with -- with that money. Then we would have other ancillary issues that people wanted to raise, and then we'll return back to the budget we were working on yesterday. Okay. So let's begin then. Mr. Van eenoo, we'll give you the floor. Do you want to report back to us. Is there any report this morning?

>> In regards to the hotel taxes, I don't know that we had any report beyond what we already laid out. Staff's recommendation for the \$8.6 million and how we would recommend allocating those uses to remain consistent with the state statute for allowable uses. We can bring that prentatio back up.

>> Mayor Adler: You don't need to. I was just trying to touch if anybody wanted to on any of the things you answered last night in the memos and that kind of stuff. Council, in case you missed it, the extra amount in the mayor's budget washat the mputer took me up to living weince the record reflected I was being paid under a living wage.

[Laughter] And I appreciate that effort to take me up to a living wage.

[9:54:02 AM]

The staff said they were just going to roll that into the shared moneys for the council offices, which would be food and that kind of stuff.

>> Kitchen: Mr. Mayor, I do want to talk about what we found out with the questions that we asked yesterday about the dsd budget.

>> Mayor Adler: Okay.

>> Kitchen: Is that part of what you are talking about taking right now?

>> Mayor Adler: Uh-huh.

>> Casar: And mayor, I would leave it up to conversation on the dais, but my preference is to have those answers on dsd and I've worked hard along side councilmember Garza to give us an update on where we're at after last night and just an attempt at -- a really honest attempt, our Alaska night was seven and a half or eight million and five and a half unallocated. I did some reductions, basically percentage reductions on most of those items to give the dais a picture where we're at which might help us understand what revenue we might want to try to achieve if people want to replenish some of that. Maybe a status update, but maybe after we get the dsd answers I could pass that along the dais to give a status update.

>> Mayor Adler: That would be fine. Yes.

>> Tovo: Mayor, thanks for reporting back about your living wage increase. Are we going to get a breakdown, that was one of the two questions and I'm wondering if that was not -- rather than rolling it into that general line -- anyway, are you get us some additional information? It doesn't need to be in our conversation, you can get it to us I thought in writing about the council and admin support budget broken down and those components.

>> I think we sent that out fairly light last evening.

[9:56:06 AM]

>> Tovo: I'll look for it.

>> If you can't find it, we can get you what you are looking for.

>> Tovo: Thank you, Ed.

>> Mayor Adler: Yes. Councilmember troxclair.

>> Troxclair: If this is the appropriate time to make a motion to move the spring festival public safety costs out of general fund and into funding through the convention center, I would like to do that.

>> Pool: I'll second.

>> Mayor Adler: I'm trying to think, that was kind of a H.O.T. Tax discussion so -- because that's -- you're saying move it out of general fund to -- say your motion again.

>> Troxclair: Right. Move the \$1.5 million that we're spending on spring festival public safety costs out of the general fund and into funding from the convention center. And I would make I guess a followup motion the one and a half million dollars give back to the taxpayers in the form of lowering the tax rate. I thought you started the day by saying we could get some of the H.O.T. Tax stuff out of the way.

>> Mayor Adler: We could, but then the question was -- we started off with Ed's response to the questions last night to see if people had followup questions on that. H.O.T. Tax was the next thing we're going to get to. That does appear to be the H.O.T. Tax issue. We're going to hold on the hot tax until he finishes his reporting back. The dsd was part of that and I with the dsd.

>> Casar: If I could give us the status update where we would be at with the money so that way we can be better informed about what motions we might have to make for revenue given the status.

[9:58:10 AM]

>> Mayor Adler: And I said that would potentially help orient us for the day. Before we get to H.O.T. Tax, are there any items that relate to what we had last night?

>> Houston: I just want to make sure he's going to go over the sheet he sent out last night to make sure that everybody understands it that's watching. This document he sent us -- was it last night?

>> Mayor Adler: There was one that came out this morning.

>> Houston: With the corrections. And at some point I just have a comment about the savings that we're anticipating and how we use those. I still have some concerns that even though the staff has done a really good job coming back and identifying some additional savings that could be made in their departments to free up additional funds, that to me is something that we need to consider putting away somewhere instead of spending all that we have, the 5 million that the staff originally said that was available to us and now additional funding. It's -- it's --

>> Mayor Adler: At this point we don't have any additional funding.

>> Houston: Well, but there's some on this list that he's given us. But I'm just saying I think we need to be prudent about how we are spending the money.

>> Mayor Adler: Okay, so as I see it, as I see it, the additional dollars that dropped on the chart was \$600,000 associated with esd. I -- dsd. I think we should have that conversation about dsd. But before we do that, did you have something?

>> Alter: I have a few more items, they don't come from general funds. I want to make sure I have an opportunity at the appropriate time.

>> Mayor Adler: Promise you will. Ms. Kitchen.

>> Kitchen: I just want to flag there's two parts of the dsd conversation. We can have them in whatever order you want, but there are two different parts and I don't want to miss the second part because the second part is not related to cutting the 51.

[10:00:10 AM]

So and that's the motion that I have on the table.

>> Mayor Adler: Okay.

>> Kitchen: And it's an existing motion that is sitting on the table.

>> Mayor Adler: With respect to the dsd and cutting on the 51, my understanding was, as colleagues, correct me if I am staff to come back to us in a month or two, as soon as Rodney can, and talk to us about ways to cut fees in that department, pros and cons. And one of the things we wanted him to address was cutting the 51 new staff members. And to that end my understanding was is that we were going to adopt a budget and fee schedule today as if we were not going to fund those 51, and then he was going to come back in a month or two and if we wanted to fund all 51 or any part of the 51 we could, recognizing that at that point it would require us to amend the fee schedule. But that we were not going to make the decision now about whether we wanted to cut -- whether we wanted -- whether we weren't going to ultimately do the 51. So to that end, you did an analysis that I see here that says this is the money that if we decide not to do the 51 would return to the general fund balance, that was about \$600,000. So if we're acting consistent with what we said earlier, we would take that \$600,000, we would put it into the other category and we would keep a reserve for that amount. So we wouldn't spend it, we wouldn't encumber it. And then in that month or two when we had that report, we could then make the decision about what to do and if we wanted to fund all 51, we would use the \$600,000 or some amount, and if we didn't want to fund the 51, then we would have the budget amendment to be able to use that money.

[10:02:14 AM]

That's my understanding of where our conversations were yesterday. Thank you for getting us that number. Yes, councilmember Garza.

>> Garza: And I just -- but it's not just Mr. Gonzalez reporting back. We're hoping there will be a broader conversation with stakeholders to understand the impact of those fees, and I know we're not posted for this, but I will be sponsoring something soon to that effect.

>> Mayor Adler: And even broader than just the stakeholder conversation on 51, we had talked about keeping it even broader still to talk about other changes, any other changes that might address fees. Okay. So I think we're clear on that part of it. That leaves then the dsd conversation that you want to have. Hang on a second. Mayor pro tem.

>> Tovo: Now that I have found the memo, thank you for that additional information. The error in the mayor's budget is about -- amounts to \$30,833, and I think rather that put it into the mayor and council admin costs, which already it sounds like you have bolstered it in a way that's appropriate, that fund in a way that's appropriate given the expenses we're incur, I would suggest we consider that \$30,833 for other kinds of allocations. It's more than the amount, for example, that we've currently budgeted or is on the table for city op. 30,000 is not a huge amount, but it will help fund some of the initiatives that we've been struggling to fund and so I would suggest that we have a discussion, a conversation about where to put that 30,000. Ish.

>> Mayor Adler: Someone came to me and pointed that out and made the recommendation it go into that fund. Is there a basis?

>> There would be nothing wrong with doing that, there would be nothing wrong with doing what councilmember tovo asked for. For \$30,000 our thought was just to put it into the admin other expenses, looking at departmentwide expenses that may come up, giving flexibility.

[10:04:25 AM]

If we want to remove it from mayor and council's budget completely and allocate it to something else, we could certainly do that as well. That was just our initial thought. We have no -- specific function or purpose on your concept menu.

>> Mayor Adler: I would concur with the mayor pro tem's suggestion that we take the \$30,000 and bring it to the concept menu general fund. Is there objection to that?

>> Houston: Where did they put it now? Food and ice?

>> Mayor Adler: They just added to the shared resource category.

>> Houston: Okay. But food and ice stays at \$40,000.

>> \$40,000 increase, yes.

>> Mayor Adler: All right. So that said, no objection, that will be done. Ms. Kitchen.

>> Kitchen: So I wasn't clear, mayor pro tem, were you wanting to designate that to a particular item or are you just adding it to the --

>> Tovo: I think we just add it to the pot.

>> Kitchen: Got it. Okay, so do I -- are you ready for me?

>> Mayor Adler: Yes.

>> Kitchen: Just as a reminder for folks because yesterday was probably a blur, I proposed some savings out of dsd's general fund dollars. And so that raised a question of what was available in the general fund dollars, which got us to the discussion of the 5.2, which got us to a question that our staff was going to go back and look out of that general fund dollars what was that. So that we would actually -- could actually understand what those dollars were for and then we could make some decisions on whether or not we wanted to -- we wanted to save any of those dollars out of the dsd budget and do what mayor pro tem just did with the -- just suggested with the 30,000, put it back into the pot of money that we're looking at. I guess the answer to the question I think you have that for us now, if you could break down the general fund dollars and tell us what they are for so that we can have a conversation about whether or not we want to pursue any of those in terms of savings.

[10:06:37 AM]

And I don't know -- I apologize, you may have sent this out to us and I don't have it in front of me so I don't know if it's something you can put up on the screen to show us -- okay, all right. Go for it.

>> We did send it out about 9:15 A.M. Our dsd department and financial staff were working on this until fairly late. It's a complicated model. By the time we vetted and revetted the numbers, it was 9:15 this morning we sent it out. I think we passed out hard copies that looks like that. The mayor talked about the one side already. If you flip it over, Doug, I'm not going to cover this. The mayor did a great job talking about everything on this slide, the reduction in 51 positions. Part of that reduction is nonrecoverable costs dropped from \$5.2 million to \$4.6 million. So that's what we sent out late that is a result of getting those results back. There was a \$600,000 savings to the general fund. I do want to reiterate what the mayor said, that if council wants to come back in October or November or December or whenever and have a discussion about adding those 51 positions to the budget, we would need to reserve that \$600,000, otherwise we're going to be ham strung with how we fund this. Now flip it over. This has to do with what originally was \$5.2 million and is now \$4.6 million. What are these nonrecoverable expenses. This first one probably really should be called telecommunications permitting, but it is mostly related to the Google fiber installations that are going on where we currently have an expedited process for getting those inspections done so it costs us more money to provide them the turn-around times they need to meet their time lines. That's about \$700,000 annually that we've been spending related to the expedited processing of those permits.

[10:08:43 AM]

That could certainly be removed if council wanted to do so, but the consequence would be there would be long delays, they would have to get in line, you know, for their inspections to be done along with everybody else and there would be very long delays, much longer times to get that inspecting of that done. The second is \$900,000 is related to our urban forestry program. This is not the entire urban forestry budget of dsd, this is specifically the program piece that is not recoverable. There are a number of fee waivers that are authorized. One of those was the smart growth fee waivers and we've already talked to council about that as part of the manager's proposed budget is to revise that smart growth program which would lower the waived fees by \$600,000. Smart growth is different than smart housing so don't get confused or concerned there, but the smart growth aspect we would propose no longer offering those waivers and it's already reflected in that number. Rodney is here to talk more about maybe what some of those specific fee waivers are. They vary. This is our estimate what the waivers will be in the future based upon our experience in the past. But some of these waivers would be related to things like smart housing projects where the permitting fees of those projects are waived. That's the \$1.9 million. The final line item which is the only one on here that's changing, it was \$1.7 million, but as a result of pulling out these 51 positions, it's now \$600,000 is this item labeled effective allocating one-time capital expenditures over the useful life of the assets. When you think about doing a complicated rate model like this and if we need to add 20 or 30 vehicles or other equipment, furniture, because we're adding staff, you really have two choices and only one of those is an appropriate choice, but one choice would be to take all of those costs and lump them into this year's fees and to have your fees spike up to pay for that, and then your fees come back down next year so what you end up doing is punishing people pulling permits this year by forcing them to pay for all that equipment and people in the future years benefiting from all that equipment end up having lower fees.

[10:11:01 AM]

So the right thing to do is to allocate those costs over their useful life. But what happens is the cost of buying the equipment happens in the first year, but the revenues you get to pay for it is spread out over five years. And that's why there's this nonrecoverable expense in fy-18 that's related to adding those new positions, adding temporary staff, replacing equipment and the cost of that is spreading it out over the useful life of the assets so as to equalize fees do not unduly charge one group of customers to the benefit of others. Hopefully that clarifies that. That comes down by \$600,000 as a result of reducing the 51 positions. But again, if council thinks it's likely you might want to add those back after community conversations you would need to reserve that funding. Right now we have shown it as a -- an additional

source of funding on your work sheet. We would recommend adding a line item to your work sheet right now that basically transfers that savings over to our reserves to hold it until you make that decision.

>> Kitchen: I have a few followup questions.

>> [Inaudible]

>> Mayor Adler: We had that conversation a moment ago and I think the dais was in favor of taking the 600 and putting that into reserve. We need to focus on the elements other than the 600.

>> We'll add it right now.

>> Kitchen: So a couple followup questions. So that last one, the effective allocating, that's all related to the 51, right? So there's nothing in there that if we kept the 51 --

>> It's not all related to that 51. It's also related to the addition of temporary employees and the fact we'll have to be leasing office space for those temporary employees.

>> Kitchen: Okay.

>> Buying furniture and computers, replacing vehicles for existing employees and so it's not all related to the 51. The 600,000 savings is all related to removing the 51.

[10:13:03 AM]

>> Renteria: I understand.

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>> Kitchen: I understand. First let me say what we said before, the urban forestry program, I am not interested in taking anything out of that. Just making that clear so, you know, you can kind of line that off in terms of the discussion from my perspective. But I do want to talk about the -- the telecom permitting and the fee waivers. So in terms of the fee waivers, I'm also not interested from my perspective, I don't think we should touch anything that's related to smart growth. So my question is of the 1.9, what's the rest of it for the fee waivers? I think you said .6 -- or 600,000 of it is related to housing and smart growth fee waivers. What is the rest of it related to?

>> I just want to clarify that we're just trying to highlight that 1.9 million would have been 2.5 million if we were still doing the smart growth waivers, but in this budget we're proposing not to do those smart growth waivers so it's only 1.9 million of waived fees, and I think Rodney is here to help us walk through what in a typical year what some of those waivers might be related to.

>> Kitchen: Can we have that conversation?

>> Mayor Adler: You only thought we might have been done with you yesterday.

>> I'm sorry?

>> Mayor Adler: You only thought we were done with you yesterday.

>> Rodney Gonzalez. I'm going back to a conversation in April of this year. One of the topics were the fee waivers that are run through dsd. As Ed pointed out, the 600,000 represented here is smart growth. The remaining amount which is 1.9 million primarily covers smart housing. There are some other fee waivers, they are really small. They deal with catastrophic events.

[10:15:03 AM]

You may recall some of the floods, previously council waived those fees associated with persons affected by the flood. There are certain nonprofit projects such as accessibility ramps. Those get fee waivers as well.

>> Kitchen: Okay.

>> And then some public educational facilities like those fee waivers run through our department as well. And in some cases we may have some project based interlocal agreement fee waivers such as like with U.T. Austin. But I can tell you primarily the 1.9 comes from smart housing.

>> Kitchen: Okay. So -- so again that's not an area that I'm interested in pursuing, I just wanted to clarify that. That leaves us with the telecom permitting. My understanding here this is -- I guess this would be pry or time sensitivity processing, right?

-- Priority processing. Rodney we may need to ask you these questions. But that's -- well, actually, I don't have any questions about that. I will signal to everyone this is an area I'm going to amend my motion to reduce some of these dollars, but I'll wait until everybody finishes their questions. So I think there's a question down there.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I wanted to talk about the urban forestry program. Are all of the costs associated with that staffing?

>> Yes, all of those costs are associated with staffing. There may be some minor commodity pieces in there, but I don't have those breakouts, but primarily it's staffing.

>> Tovo: The reason I'm asking is because I'm not sure I was always aware that there are two different funds related to trio-I mentioned yesterday not just the urban forestry, I'm not going to get the names right if I don't look at my notes but there's another fund I want to ask questions about.

[10:17:03 AM]

To the extent those are not staffing costs, I would wonder if those could be assigned instead to either the urban forest replenishment fund which has an extremely healthy balance or the friends -- I'm sorry, or the planting for the future fund which also has a balance. Both of those funds have

-- it would seem to me these could be eligible expenses for some of the nonstaffing costs.

>> Sure, and --

>> Tovo: I think actually the urban forestry program may have an fte funded through the urban forestry fund.

>> The planting for the future fund, that fund has two revenue sources. One of those is a voluntary contribution that utility customers contribute towards the fund. The other revenue source is mitigation of trees on public land. Looking at the resolution that created the fund in essence back in 1991, from our reading of it, it doesn't seem to allow for much more other than tree planting so we would have to refer to legal in reading that resolution and what other things that fund could be used for. With regard to the urban forestry replenishment fund, yes, there is a balance in there. There's recent state legislation action that is going to decrease the rate of revenue coming into that fund. And so to the extent that it is a concern, the concern we have is that the revenue that we had seen coming into the fund is going to be diminished due to recent legislation.

>> Tovo: Sure. And that would be a good reason not to fund additional staffing out of that fund, in my opinion. Because it is -- because of the situation you've just described. But if there are some limited commodities within the urban forestry program that could be funded through the replenishment fund that might be an appropriate source that would free up general fund revenue.

[10:19:07 AM]

My question since we're talking about it, I guess would you agree? Do you agree?

>> From our perspective, as you pointed out, we already have a position that's funded out of the urban forest fund. We actually used to have more positions funded out of there. We've migrated away from that as a funding source for permanent positions. It certainly is a council decision as to, you know, what to fund from that urban forest replenishment fund. From a staff perspective we've tried to move away from permanent funding resources out of that fund.

>> Tovo: Right, and I -- again, I support that perspective because we want those positions to have secure, consistent funding rather than being dependent on what might happen that triggers contributions to it. But it has a \$3.4 million balance, so one of the reasons I'm asking these questions is to see if any of what's currently in our budget are eligible expenses for it. And since we're talking about the planting for the future go back and look at the original resolution, I just looked in the fund summary in our budget and it talks about tree planting and tree education, as I recall. I wondered whether that would be a -- how strict the guidelines, you said you would need to check with law, but it was a creation of council and I'm not sure when you collect voluntary contributions if we might have to segregate the funding that came in that way to use just for strict tree planting purposes. But whether there could be a component of that fund, of that \$477,000 fund that could be used more generally to support, say, ADA improvements or other kinds of improvements at our parks. So it would be interpreting planting for the future less literally about planting trees and more about supporting youth.

[10:21:09 AM]

>> The resolution is under you under the be it resolved sections, but purposes include tree planting, tree materials, tree education, primary purpose being the purchase of trees. And then, of course, the second be it resolved is the fund is no way replacement for urban forestry in the general fund. This is a 1991 resolution.

>> Tovo: Very short.

>> It's from our reading only. As I mentioned we would have to defer to law.

>> Tovo: I see it has a particularly narrow focus. However then we created the urban forest replenishment fund came later and has much of the same goals, as I read it, right? So if we have two funds that are both supporting tree planting and tree education, can this one be converted into a more general purpose? Again, I don't know whether the voluntary contribution part would have to be segregated. I think if people donate money toward free -- tree planting they have an expectation it's to be spent with the way they intended. But if that could be used more flexibly that would be something I would support. It's my understanding it would be a creation of council to change the mission of that fund.

>> Once again, I would have to defer to law in that regard.

>> Yes, that's true, this is a resolution that council passed and council could change the resolution and change the fund, but I do agree if the people have been giving money expecting it would be for planting of trees, you would want to do it prospectively to make that change.

>> Tovo: I think there's other sources contributing to that fund and I don't know how easy it would be to isolate what those other sources were. I think it's the mitigation for public trees you mentioned. So I

don't know what -- I don't know what portion of that 477,000ish that's currently in that fund came from public donations, which again I wouldn't want to spend differently than people were told they would be spent, but for the forks that came in for mitigation for public trees, I would say that would be a decision of council that we would be able to make.

[10:23:20 AM]

And again, if it amounts to half the fund came in that way, well, that provides some opportunity to address some of the needs that we discussed yesterday at our parks.

>> We would have to go back and do an accounting of the -- of the revenue streams.

>> Tovo: Okay.

>> In order to segregate that.

>> Tovo: Thanks. Let me signal my interest in doing so. Sounds like we're not going to get there today, but I think that would be a good endeavor and then we might think about going forward how these two funds -- how we might use some of the money in these two funds to plant some more trees.

>> Mayor Adler: Yes, councilmember alter.

>> Alter: I just want to say councilmember pool and I have several items that could come out of this budget or from the other urban forestry

[inaudible] And they do the education, they do the preservation and whatnot, so at the appropriate time we'll bring them up, but they fit squarely within this resolution including tree removal service for elderly people.

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: I'm going to make an amendment to the can tell me whether I should just make a new amendment or amend the motion that's on the table. But my amendment is to reduce the Google fiber - - or the telecom permitting priority processing by -- so that the -- reduce it by 350 million -- or sorry. Sorry. I wish it was 350 million. 350,000. So that's my motion to amend it by -- so that would free up 350,000 that I would propose that we put into our bucket.

[10:25:21 AM]

>> Mayor Adler: There's been a motion and second by Ms. Pool.

>> Kitchen: My reasoning is although I agree priority processing is important, I think that given the budget priorities in front of us there are -- there's a whole range of budget priorities that are a higher priority for us. And so this allows some priority process to go occur, but I -- processing to occur but I think given the tight constraints we have on a whole host of issues that really directly impact people's lives, I think that it's appropriate to -- to reduce this amount.

>> Mayor Adler: Okay. I have a question for staff. Can someone speak to -- how that \$700,000 is spent? So I have two questions. How the \$700,000 is spent and what is the exact of taking \$350,000 out. Then the second question relates to why we do priority processing. I remember there was a time where many cities were competing for the one gigabite service, and there are still cities today that are competing for the one gigabite service. We were the second city, I wasn't in this position back then so I don't know about those conversations, but I want to know if the priority processing relates to that activity.

>> Sure, and I'll go with the response to the second question first. As some of the council may recall, Austin did compete to be a Google fiber city. I think that was back in 2010-2011. We weren't selected as the first city, circuit of the Americas was selected as the first city.

[10:27:24 AM]

Austin was selected, however, as the second city for being home to Google fiber. There was a need to implement fiber immediately not just across the city but to I think 100 community facilities as well. And so Google had need, of course, to expedite the fiber installation. The city at that time decided to go ahead and help with that expediting and the way that we did that was by -- this is in response to your first question, by hiring a team, a temporary team of plan reviewers and inspectors. The plan reviewers on the front end to look at Google's installation section by section, and then the inspections team then to go and inspect the work. That's the response to both of your questions which is yes, it was a commitment from the city to help with expediting the implementation of fiber, how we implement that, how we use these funding sources is to hire temporary plan reviewers and temporary inspectors.

>> Mayor Adler: I would be uncomfortable -- again, the way that we get to be a Google city or those other kinds of things is by sitting down with companies and saying getting broadband to our city is important. The way this got laid out, my understanding is it went to some of the more technology challenged parts in our city became the priority as part of the -- the rollout as agreed upon with Google. It's in some of our low-income housing communities and the government buildings, and I just think that if we -- if we enter into agreements or make commitments that help us attract technologies that we want for our community, we need to abide by -- abide by what we said we were going to do.

[10:29:26 AM]

>> Kitchen: Mr. Mayor, could I comment on that.

>> Mayor Adler: Yes, you can.

>> The process of getting Google fiber, was there an agreement with Google about expedited permitting or can you help me understand how that came to be, a little more detail? What the company was relying upon?

>> Sure. There is a -- originally there was an agreement that was

-- the agreement never got executed. There was a commitment by the stay. When I say the city, the city manager at that time had made a commitment. There was a funding source at that time to continue it, that council had approved as well in the '15-'16 budget appropriation. This is a matter that has been discussed, and so it's the city's commitment, if you will, it's not a commitment via an executed agreement. But it certainly has a verbal commitment.

>> Flannigan: And so there was a separate funding source in the past, or you're just saying it's been funded in the past?

>> It's been funded in the past, through the general fund.

>> Flannigan: And ever since this program began, the team and the folks that you've hired to implement it have been categorized as temp?

>> Yes, because the timeline, of course, had been conveyed to us as a short timeline. We certainly didn't want to hire these positions on a permanent basis because once a project was completed, then we'd have to figure out where to assign those individuals, and so we've always approached it from a temporary perspective.

>> Flannigan: And how many people are there doing this right now?

>> I don't have that number. I'd have to get that number for you.

>> Flannigan: But is it reasonable to say that half of them would be laid off, or their temporary contracts be terminated as a result of this?

>> Oh, yes, most certainly. When you cut the funding in half, you have to --

>> Flannigan: Because it's all

-- the cost of the temp is that full amount.

>> Yes.

[10:31:27 AM]

>> Flannigan: I'm a little more onboard with this. I'm not sure why we do it at all anymore. If we sign an agreement, we need to hold by it, but if we didn't sign an agreement, then all parties understand that you are going to be faced with the swirling winds of politics and there have been plenty of swirling winds in this town since, not just 10/1, but changing city manager and a new city manager coming. If there are some really negative impacts of taking away the full 700, I'm not even sure I would keep any of it. If this was something that was discussed by a previous city manager but nobody could sign an agreement, that to me is an acknowledgement that you know this may go away at any point. If you sign an agreement, you shouldn't undo it. Am I missing something in this?

>> I think I would go back to the conversations that occurred at that time, which were, it wasn't just the city manager, but the council also who had put in an application, if you will, to be a Google fiber city. There certainly was that commitment, not just from the city manager, but it certainly was discussed.

>> Flannigan: So there was an application we filed with Google to become the second city, or was it the first city application?

>> It was to become the first city. We didn't win the application, but they came back and selected us as the second city.

>> Flannigan: And there wasn't a second application?

>> There was not.

>> Flannigan: Do you recall if it was talked about the time it would take to get permitting?

>> I don't recall offhand.

>> Flannigan: Thank you.

>> Mayor Adler: Mr. Renteria.

>> Renteria: You say that there was no contract or agreement that was written down, the guidelines?

>> There was one that was drafted. It wasn't executed.

>> Renteria: Okay. Because I know for a fact that we've been promised Google since the deposit last year, and they said they would have it by may, and they still don't have it out there yet.

[10:33:35 AM]

So, you know, a lot of people are really upset with Google because they didn't get their commitment. You know, once you start taking people's money and say we're going to have something out there by a certain time, and then you don't meet that deadline, then a lot of people are upset because they couldn't advertising in east Austin saying Google is here, Google is here, and it's not. I'm just wondering where is all this money -- what are y'all using it for? They can't even meet their commitment that they have made in east Austin, so I think we're probably just wasting this money on them.

>> Mayor Adler: Ms. Poole.

>> Pool: Yeah, I'll just add my voice to that, too. I know there's some areas in the central part of the city waiting for a while for Google fiber, too, and it just isn't coming. I think I'm in agreement with my colleagues here that giving priority processing when there doesn't seem to be actually any priority being placed on it. From what we can see, there may be lots of other things happening underneath the surface that we can't delve into with Google, but I would be very supportive of at least the 350,000, if not the larger number.

>> Mayor Adler: Council member alter.

>> Alter: I would be a lot more comfortable if we're going to do a deep dive into dsd, that we do all of this at once, where we come back with the additional information. If we put this 350,000 that we're talking about into the general fund and spend it on our concept money, it won't be there if we want to make ads affordable for people. We can't reduce fees for one group without taking general fund money to do that because we can't cost subsidize, so it seems to me we don't have enough information here to make a decision, and there's a whole basket of things we need to be deciding for dsd, and it would be better to make those together.

[10:35:39 AM]

I personally would like more information. I think that people are frustrated because they don't have Google fiber and they don't have Google fiber in part because the planning permitting process takes so long, and so to take money out without fully understanding it seems to me it would make that delay even longer, and we are a technology city and that depends on the infrastructure, and I don't understand enough of the details here to decide to cut it on the fly on the last day of budgets. It seems to me that that should be part of our discussion when dsd comes back to us for further discussion.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I would like to -- I would just like to respond and say that this -- that these dollars are a part of the general fund, they're not allocable to funds. With regard to the question that was raised around temporary employees, I would suggest that there's an additional 1.3 million that's proposed for temporary work that I'm certain that our staff -- if you could reallocate where those temporary

employees are working. So I'm not concerned about having to lay people off, because in adding to a substantial amount -- I'm not even talking about the 51 ftes. I'm talking about the dollar amount, just 1.3 million in additional temporary dollars for dsd. So I would just make a strong argument that this is an area that we have the potential to cut, to have a savings, which I think we have to balance this in light of everything else that we're trying to fund and from a policy perspective, I cannot justify, given the facts, and I think council member Flannigan laid it out very well.

[10:37:50 AM]

We were not selected as the first city. We do not have a contract with these folks. They're not producing things expeditiously. I think it's appropriate and prudent to take this boat, and I don't know if people have more questions, but I'm ready to vote on it, unless people have more questions.

>> Mayor Adler: I have more comments to make and other hands have been raised. I have a real serious -- I have two concerns. The first one is a process concern. This hasn't been raised, it hasn't been discussed at this level, and I don't think that, for example, Google had any notice that this would be happening, and we're about to make a decision without having them have the opportunity to be part of a conversation. So, I'm comfortable with us -- it is a part of our budget process making decisions that to me go to specific policy decisions that this council in its prior seating has made. So the prior council in front of us said we want to put into recurring money the ability to be able to do this function, and from a process standpoint, I'm just really uncomfortable with us reaching in part of the budget process. If we wanted to make this part of the conversations that we would have in another month or two and give people an opportunity to be able to respond, I would feel much better about it that we could have that policy conversation. Because I will, again, say that in traveling around the country and being with cities and being in meetings of city leadership across the country, the fact that we have the one gigabyte service that we have in this city and to have -- and to have it at the level that we have it is unique.

[10:39:58 AM]

And it is an incredible thing for our city. I recognize we weren't first, but second is an incredible thing, and we don't know -- and if there was a problem, they weren't ruling it out the way that they should. I think the proper thing to do would be for us to have our staff go and meet with Google and find out why they're not rolling out quickly or not rolling out in the areas that we want them to roll out in and give them a chance to be able to respond and to be able to work on that. But one of the reasons that we enjoy the things that we enjoy in terms of getting this high speed access to our community is because we do this kind of thing. There are hundreds of cities trying to get this service, and I'm afraid that at this point coming in in the middle of the conversation, we're lb almost taking that for granted. I would just

feel better before we reverse a policy taken by a council, probably with more deliberation than we're going to be able to get to this now, that set us on a course, so from a process standpoint alone, I have real concerns about this. Mayor pro tem.

>> Tovo: I have a couple questions, and I apologize if I'm retreading ground we've already tread. But of the 700,000 -- Mr. Gonzalez, I've lost track of where you are. Can you remind us how many staff are contained within the 700,000 and how many would be contained within the 350? For that number to decrease.

[10:41:59 AM]

>> There's approximately 14 staff persons.

>> Tovo: So we'd be moving from 14 to 7-ish?

>> I could tell you exactly what that number would be, but, of course, if you wanted to -- if the decision is to cut it in half, then... I couldn't tell you the number.

>> Tovo: I appreciate that, but I'm just trying to get an order of magnitude. Was any portion of this piece related to small cell technology?

>> No. It isn't.

>> Tovo: Okay. Thank you. I appreciate that. I concur that I think we're still continuing a commitment to it with a decrease of -- well, I don't know if I'm agreeing, because I can't remember if anybody exactly articulated it this way, but it would seem to me that if we're continuing to employ 7-ish temporary employees to help Google fiber with priority processing, then that is continuing a commitment to the program, and to being a good partner and whatnot. So I'm going to support the amendment.

>> Mayor and council, there is one significant change I do have to bring to your attention. This was just sent to me. Which is different than what we received before. But there is an agreement that was executed in 2013. I've got it. I can certainly send it to council. Section 2.1 of the agreement does say that the city will provide diligent and expeditious review in determinations of all applications of permits, and it also says the same thing with regard to inspections, so I apologize. Just getting this agreement that was executed by the city.

>> Mayor Adler: Whoa, whoa. Ms. Kitchen first.

>> Kitchen: So it doesn't say expedited review. It says diligent review, right?

>> I'll send a copy. Let me go back to that section.

>> Kitchen: I think that's what you just read, because I wrote it down.

>> It says the city will provide diligent and expeditious review

--

>> Kitchen: Okay.

>> And determinations of all applications for permits.

[10:44:01 AM]

>> Kitchen: That's not -- I would point out to my colleagues, that is something that we always do is diligent review. That's what we do in our department. And we also do expeditious -- expeditious is a term that means we do it as soon as we can. That is not the same as expedited. So I would not read that agreement as a commitment to an expedited review.

>> Mayor, if I may. Robert Goode, assistant city manager. I was involved in a lot of discussion through this Google process, and it reads that way, but the council and the city manager at the time was fully onboard on expediting the process. That was the last -- thank you. That was one of the last hiccups with Google is they needed to have our commitment, because they saw if it took a long time for their fiber to be installed that they weren't going to come to Austin. So I just needed to relay this to you. It was absolutely a commitment from the manager and the council at that time to do that. So it got worded that way in the contract, because we weren't ready to commit we're going to get this done in three hours. We didn't know what that meant. But this was -- and staff could also probably relay that to you. The way we're processing these permits is dramatically different than we've done in the past, for not only Google, but for all telecomms through this process, because we couldn't discriminate and just do that for Google, so it's for any telecomm process. So in the negotiation, it was clear we were going to do whatever it took to expedite the process. That's what we put in place from the council, which at that time was very excited to get Google in this community, and the city manager implemented that policy. So that was part of this process that we went through. So I wanted to give you a little bit of background, because I was part of that process when we brought Google in.

>> Mayor Adler: Mayor pro tem.

[10:46:01 AM]

>> Tovo: Assistant city manager Goode, can you give us the history of funding? Has it remained at exactly 700,000 or have additional staff been added or have additional staff been subtracted as time has gone on?

>> The staffing levels have been substantially the same.

>> Tovo: Okay. So they've -- and where would we

-- I'm not sure that we'll ever have had this level of detail in past budgets. Do you recall if it was singled out in some of our older budgets where I could double-check?

>> The original funding source for this came from one-time funding sources from the general fund, and then of course those one-time funding sources have been depleted since, and so that's why you're seeing a shift in operational funding.

>> Tovo: I'm just wondering if I want to know the exact amounts in the previous years budgets, where would I look? It seems like I would look in the budget reserve of one-time expenses.

>> We'd have to go back and find those for you.

>> Tovo: Okay, thanks.

>> Looking that up to see if it was in there, if it was in dsd's temporary budget, you would never see that. It would just be part of a temporary line item. We're looking right now to find those references for you.

>> Mayor Adler: Mr. Flannigan?

>> Flannigan: I'm glad that staff worked so quickly to find the agreement, because that certainly changes my perspective on the matter. I'm still wanting to dig into this further, but I think it's probably more appropriate to do it when we're look at the permit as a whole. I think there's much more to dig into.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I want to ask you a couple of questions. First off, it started off as one-time funding, right?

>> Yes.

>> Kitchen: One-time funding to me is not a commitment on a contract. So we don't have a history of starting this out as a commitment. So this is the first year that it's being put into the regular budget as opposed to one time?

>> No, we've had it in our operational budget.

[10:48:04 AM]

>> Kitchen: Okay.

>> The funding source is shifting. It's shifted from one time now so being funded as an operational time.

>> Kitchen: So this is the first year it's being shifted from one time to operational?

>> Yes.

>> Kitchen: And how many years have we been funding this?

>> I'd have to get the number for you. I think it might be three or four years.

>> Kitchen: Okay. And then you mentioned before that it was substantially the same in terms of the history. What's the difference?

>> I'd have to get that difference for you as far as how we started off with the staffing.

>> Kitchen: Okay. So it's changed. So the funding has changed over the years in a couple ways that are important to me. First off, it's always been one time, and this is the first year that we're putting in operations. That's substantial to me. I hear what you're saying, council member Flannigan, but to me, in reading that language, that's not a commitment to expedited funding, and one-time funding over previous years is also not a commitment to expedited funding. So, you know, we'll just all have to vote -- I respect how people feel about it, but again, I'm looking at this in the context of the priorities and the difficult decisions that we're making, and I cannot place this at a higher priority given the fact that we do not have a commitment for expedited at this level. As the mayor pro tem said, we're not wiping it out. I think I'm just talking about a pretty prudent approach to this given our other priorities.

>> Mayor Adler: And additional information in this -- excuse me. I would just point out that to a certain degree, and I'm not sure that we could measure it, it's because of Google and the deployment of fiber that we have lower rates from providers that we would have, and most importantly, Google has been an incredible corporate citizen associated with the rollout of this fiber.

[10:50:14 AM]

They are one of the core members in unlocking the collection program, which is a collaborative effort, which is bridging the digital divide in the city for more than 3,400 public housing residents of all ages, residing in 18 different housing projects throughout the city that are owned and operated by our housing authority haca, which that grew out of the haca strategic plan. It's led by the non-profit subsidiary of haca, Austin pathways. This is a program that raises family self-sufficiency through digital inclusion. Google and the city worked together to bring Austin community college, and partners as an initiative that was launched at the very end of 2014. In 2015, Google helped bring in the Ford foundation and the open society foundations to help provide funding for this program that they're helping to run, provide digital literacy training and program evaluations, to help bring in the university of Texas moody college of communications. There are lots of people now that participate in this free scale, IBM, Katie K.

Harmon. My sense is that they -- we entered into agreement that said we would provide expeditious treatment, which sounds to me like expedited treatment. If we're going to change this again from a process standpoint, then I would say it would be something that we ought to at least -- that's a significant policy change. It shouldn't be made as part of this budget process today. Mr. Casar.

>> Casar: Mayor, I'd like to offer -- sort of in the spirit of trying a compromise. This amendment would be to reduce the Google priority processing from .7 to .6, 100,000 there, and then of the 600,000 that would be saved on the potential temp employees, leave the door largely open there, but to take 100,000 of that to get us \$200,000 in the bottom line.

[10:52:28 AM]

So, foreclose just on 1/6 of the dsd temp's conversation and take the .7 million and Google fiber priority processing by \$100,000.

>> Kitchen: I would second that.

>> Mayor Adler: It's been moved to cut from \$700,000 to \$600,000, the Google fiber priority processing.

>> Casar: And to get \$100,000 from that \$600,000 of temps.

>> Mayor Adler: Okay. Ms. Kitchen seconds that. Mr. Casar.

>> Casar: So I think that it is fair for us to try to have a longer conversation on. This part of the expediting, I recognize and respect the work by Google and others as you've laid it out there. But, you know, I think while Google is not here for us to have a long-term conversation, nor are people who could face deportation, if we don't fund our homeless folks that would be affected if we have to scale back on some of the homelessness issues, and I think that we have to make hard decisions, and I think that they will still have significantly more expeditious processing than generally everybody else with a \$600,000 allocation, but -- and so I think that we would really still be keeping that commitment up, and I would hope and believe that they would understand. As a pretty powerful and well-off organization, us taking \$100,000 from the \$700,000 of expeditious permitting is us just doing our best today. And I think that we can have a very thorough conversation on the 51 temps. I look forward to being a part of that conversation. Again, part of the work I'm trying to do is to save us from having to rehash out conversations, and I believe that most likely we'll be reducing that temp amount, from what I could sense from the dais, by at least a sixth. And so I feel like, just to get us through this budget process, I think council member kitchen's intentions are to try to fill in some of those gap, and I think at \$200,000, we can get some consensus on the dias.

[10:54:43 AM]

>> Houston: Mr. Goode, could you come up one more time, please? Because now that this conversation is being held, we're just not talking about Google fiber. How many other organizations -- because you said we're doing it for all fiber.

>> AT&T is also going through some fiber installations as well, so they're another company that's going through that process.

>> Houston: And as far as you know, those are the only two?

>> Those are the only two I know of. We're doing some pretty extensive fiber installations.

>> Excuse me. Mr. Goode, you said we are doing some fiber installations?

>> The only two companies that I know of.

>> Okay. So it's not us doing them. It's them.

>> It's an expeditious process that we opened for telecom facilities that do fiber. So AT&T would be one of them. Google, of course. If grande opted for a fiber type of network, we would open it for them as well.

>> Houston: So at first we were just talking about one, but would this decrease impact the way you roll out if other -- for AT&T, would they get a reduction in being able to have their permits expedited?

>> What we'd have to do with \$100,000 reduction is just do as best as we can across the board for every other telecom utilities. I can't tell you specifically what the impact would be, we'd just do the best job we can.

>> Houston: Okay. I have mixed feelings about this. Because I'm not a telecommunication person, but I think we had some expectation, they had an expectation that they would get this expedited permits, but if you don't see any lessening of that by the reduction of the \$100,000, but I think we should have had the conversation with both Google and AT&T before we started making the reductions.

>> Mayor Adler: For what it's worth, Google has indicated that they're okay with a \$100,000 cut.

[10:56:51 AM]

>> Tovo: So now I find myself needing to clarify based on council member Houston's question. So the 14 employees we're talking about are working not just with Google, but also with other telecom organizations with whom we do not have an agreement?

>> Yes, I think that's why it was mentioned at the beginning of this conversation, that proper boarding would be telecom processing. Staff has often referred to this as Google fiber. It's not just Google fiber, as was pointed out, but it is telecom priority processing for those telecoms to engage in prioritization.

>> Tovo: So much of conversation has focused on our commitments to Google, so that was the other point of confusion for me. Did we have signed agreements with the other telecom companies that are benefiting from the staff who are expediting permits?

>> We did not, but Google was the initiator of this process. Part of that agreement for them to come to the city was that expedited process.

>> Tovo: I understand that. What I'm talking about now is the fact that these are the same staff now who are serving other telecom companies with whom we do not have access.

>> We have gone for that same expedited process for fiber installation. We can't discriminate and only offer that to Google. And Google's not paying for that. They can't pay for that by law. So we have to offer that same service.

>> Tovo: Okay, thank you.

>> Mayor Adler: It's been moved and seconded to take \$100,000 off. Is there any further discussion? Those in favor --

>> Kitchen: Mr. Mayor, that's not the full --

>> Casar: My motion is -- the amendment to this to make it 100,000 from the temp's excess that was set aside and 100,000 for this.

>> Mayor Adler: Can someone explain to me the \$100,000?

>> Casar: I can explain it. This is what he explained, with the 51 temps in dsd being held aside for our future conversation, \$600,000 in general fund expenditures that are freed up; is that right?

[10:59:00 AM]

This is the 600,000. And so to try to get us to a place of compromise, instead of 350, I brought it down to 200 by taking 100 out of this line item and 100 out of that. That does make it more difficult for us to get to the full 51 in the future if we want to, but hearing the conversation of the dais, I thought this was the best way to get this done.

>> Mayor Adler: Council member troxclair.

>> Troxclair: I'm not going to be able to support the motion or the amendment. I'm uncomfortable with -- I mean, the reason that I -- part of the reason that I supported the motion that was made yesterday on dsd was because we were postpoing the decision until we had more information. Now we're talking about making a decision that would potentially impact our ability to move forward with the dsd changes in the future, and so I think that it would be prudent of the council to not dip into that money until we have that information and have made those decisions. Secondly, I just think part of the reason that we have such a thriving city and that we've had such great job opportunities and economic development is because we're a great city for tech, and, you know, I know -- I mean, working with real estate clients, people are excited when we see a house that has Google fiber in the neighborhood, when we have -- I'm not sure that this is -- I understand and appreciate, you know, everybody is trying to do their best to try and find money where they can, but I just feel like this sends a wrong -- I think that there has been -- after decisions that have been made in the past, there has been a little bit of work that the city has had to do to maintain our reputation as a friendly place for the tech community, and I don't think that just arbitrarily cutting this funding sends the right message.

[11:01:05 AM]

When we're faced with a lot larger -- I know we haven't talked about it yet, but we have Amazon potentially considering us as a city to locate a major headquarters to. I'm just not sure that the juice is worth the squeeze. I'm worried that this decision will be seen as a signal to the tech community that the city is not friendly to doing business here and potentially won't make good on the commitments that have been made in the past. So I'm just not going to be able to support this for those reasons.

>> Mayor Adler: So now that I understand that the second part of it was to take money out of the 600 that we agreed that we were going to put aside that was consistent with what we did yesterday, I'm not going to be able to support this either. I think the better thing to do is to park this. I'm still concerned about the process, and now that we hear that there's more than one person involved in that expedited, I'm not sure that any one of them should be able to direct that. I'm concerned about making this kind of policy change, so therefore I'm going to have to vote no. Council member Garza.

>> Garza: I don't know where I am on this right now because I have several concerns that several people have expressed. I do believe my main issue is that they really have been a really good corporate partner to the city. They have donated things to several non-profits in my district where there's a huge digital divide, so I'm wondering if the maker of the motion would be willing to table this until some of us can do a little research on this.

>> Kitchen: I really would like to do this today.

>> Garza: No, I'm saying this moment. Come back in an hour or so.

>> Kitchen: Well, I'll ask -- council member Casar, you brought this particular motion.

[11:03:12 AM]

Well, give us a second. Council member Casar?

>> Casar: I would be open to that. I just want to emphasize I do think it's important that -- I made this in the spirit of us not having to take a hard vote on that 350, and I did not know, but do appreciate Google sending communications that they're fine with \$100,000, which is just really not -- that's what the mayor said. As far as a shot heard around the world on tech, I just think

--

>> Mayor Adler: The communication I got, I think it would be good for council member Garza to make the call, was that I don't know that they were okay with it or good with it, but I'm not sure that they wanted me to take a sword over this. For me, the issue is broader than just them, which is why I'll continue to vote no.

>> Casar: I hear that. So I just wanted to note that, again, I'm very happy to table the motion. I just want to note that this is

-- my motion was an amendment to sort of walk us back from having to deal with that bigger question, and as far as setting the \$600,000 aside, as an agreement, I know that some folks have that preference. I am fine with just 100,000 of that.

>> Kitchen: And I would like to

-- Mr. Mayor -- so, given the fact that we've gotten communication from Google fiber, are you okay with separating the question and going ahead and voting on the 100,000 part out of this priority processing right now, we can bring up the other part of it later this afternoon? Could you vote for that?

>> Mayor Adler: I don't want to overstate the message that I got, because I haven't had any direct communication with Google.

[11:05:15 AM]

So the communication to me that

-- I'm not sure that they wanted to have a long conversation going over the budget process. But I'm fine with dividing the question, but I'm going to vote no on both sides of this question.

>> Kitchen: Okay. Well, the other thing -- I'm hearing what council member Garza would like to do, and we can delay it. I do want some additional information, since we're going to put this on the table for a few hours, or maybe after lunch. I'd like to know if this is an increase in their budget. Because as Mr. Gonzalez said, it has not been the same budget all these years, it's just been substantially the same. So this should provide some time for folks to look up and see what the difference has been. And then I would just remind my colleagues -- you know, this is not about Google fiber. This is not about the company. They've been a great partner. I'm sure they've been a great community partner. I'm sure they'd be the first to say that we really need to look at our priorities as a city. So if we continue to say that, you know, that folks are not going to get basic health and human services because we'd rather make sure that we can't cut by a very small amount from expedited processing, we're never going to get any kind of rebalance in what we're doing, so I would just ask people to really, really think about the priorities that we're weighing here. And also in the context of a company that's not going to suffer, and I would doubt that they would say that they would even suffer. I don't think our community is going to suffer either by taking such a small amount out of this program.

>> Mayor Adler: So we agree to table this conversation. Before we table it, Ms. Pool.

>> Pool: I just have one additional piece of information that I'd like staff to bring back, and that is there was activity -- there was legislation at the state that constrained municipalities from charging the cost for doing different kinds of telecommunications, implementation, and installation, and that is going to make a fairly significant hole in our budget in out years.

[11:07:36 AM]

We've talked about that in the past, and I just wanted to see if any of this is -- if our inability -- because this says that these are expenses not covered by fees. Our inability to cover these with fees to charge for the priority processing in any way to the legislation from the last session.

>> The reason these are not recoverable is because these telecommunication companies pay a franchise agreement. We can't charge a franchise the revenues for the franchise and charge a fee for the inspections.

>> Pool: And that's by state law?

>> That's by state law.

>> Pool: And how long has that been in place?

>> I don't know how long it's been in place.

>> Pool: So then it rests with municipalities to have a policy that we will invest in the infrastructure installation if we want to either have it in the city or have it more quickly. We're not able to -- if we want

to give them special dispensation, the Normal kind of thing in the marketplace is I will pay for something better or faster or quicker, but we are not allowed to do that by state law. So this does put us in a really tight spot. On the one hand, the policy level, we like the idea that we can get the fiber laid more quickly, but on the oh side, we are prohibited from charging what it clearly costs the city to do that. Thank you.

>> Mayor Adler: All right. Without objection, this matter will be tabled. Yes.

>> I just want clarification. So there's currently 14 folks working on these expedite permits and the proposal would move it to seven; is that correct?

>> Mayor Adler: I think in the answer to the question, he said he didn't know --

>> Kitchen: Not anymore. We were taking it down to 100.

[11:09:38 AM]

Moving it from 14 to 7 would have been if we had it at 350. So with council member Casar's change, it may not be any impact on the actual temps. The point I made earlier that we're talking about adding 1.3 million for temporary -- you know, in the dst budget. I don't see why if you have to drop one person you couldn't move them over.

>> That question was asked by mayor pro tem tovo. I didn't commit whether we would go from 14 to 7. I think that was just a math equation that was done. We'd have to look at that situation and figure out what that reduction, if any, there is.

>> Tovo: To be clear, I asked that question when council member kitchen just said when we were talking about 350, not 100,000.

>> Mayor Adler: Okay. This matter is tabled. Let's move on to something else. Any other issues before?

>> Casar: I wanted to get my best try for balance for everybody to see. It is about those \$200,000 short, which is where I got that idea, but I will hand it out.

>> Mayor Adler: So, Ms. Houston, you have pointed to the chart that Mr. Vanino -- the chart that came from you, Mr. Vanino, that had -- you didn't hand out the chart that you e-mailed to us this morning; is that correct?

>> The excel spreadsheet? I don't have a hard copy of it, but I have it on the screen if you want to walk it through.

>> Mayor Adler: Ms. Houston has asked to be walked through that and we'll talk about this.

[11:11:56 AM]

>> We can hit that plus sign on the bottom right to make this a little bigger. Thank you. So, this is trying to make a summary of all of the -- of where we started and all the changes that council has put into the motion thus far. So where we started, that first line item, \$4 million of ongoing and \$1 million of one-time. That was the city manager's proposed budget that explicitly carved out some funding for council's strategic priorities and items in the proposed budget. There is an item down there just two below that says staff amendment, and that was where I read into the read staff's recommendation -- part of the recommendation for reallocating the hot expenses was to use some of those hot moneys in this historic preservation budget to offset existing eligible part expenses, eligible for the use of hotel taxes and that was \$280,000. I'll just take a quick tangent to say the way we're doing the accounting on this is any number that's positive is considered something that helps our bottom line and any number that's in parentheses, any number that's negative kind of counts against our bottom line, whether it's a revenue item or an expense item, just one thing altogether and positive is good for our bottom line, and negative is bad for our bottom line. So unless you want me to, I wasn't going to read through every single solitary one of these line items, but these items now are the various things where council has made motions and you've taken votes to add items to what I'm calling your concept budget, the council concept budget. So these right now at this point would be part of your main motion that's still waiting to be voted on for the adoption of the budget. The second column item, that ties the items back to your concept menu that's been posted on the city's website, and I think you all have a copy of the final version of your concept menu.

[11:13:58 AM]

For example, the second item on the list, cut to Austin fire department. Kelly mays, that was item s-104, safety item 104 from council member alter. You can see the details back on the lengthier, more detailed concept and spreadsheet. Then again, you can just follow down the line, and all these items council has taken action on. I would drop down to line item 16 on the spreadsheet on the screen. I don't think you'll have that in any quality of life bucket. So that's where one of the motions was to just create a bucket of quality of life issues for \$900,000, and as you've been going through your work, some of the items that you've approved have said we're going to approve this new item, but we're going to take that out of the quality of life bucket. At this point in time, that quality of life bucket still has \$55,580. And maybe what I -- we might be able to get you the information in terms of all of these items on the list, which of those items are counting against that quality of life bucket. I think Diane has done a summary of that and I'm going to ask her to go through her e-mails and e-mail that to you right now. I think that would be helpful. Yeah, we'll just e-mail it to the council so you can see, because I could read them out to you, but I think it would be easier for you to see the list. I think council member Flannigan asked for that, but to show what are the items counting against that quality of life bucket. If I can get you to scroll down to get

us to the bottom here. Just keep going. Go up a little bit. So from last night, I sent you out a version of this last night, something you may have looked at. We had a couple comments come back from council members. We made some revisions. One of those revisions was online 26 on this, where it says translation services.

[11:16:01 AM]

That was where council was having a conversation. This item on the concept menu, included as listing a new position. Doug Matthews talked about how they had a new position. There was a need for the funding, but not the new positions, so that was a last-minute change. And then the second change we made was in regards to the \$300,000 for the affordable care act enrollment outreach. That was line 28 on this spreadsheet. You'll find that on the concept menu as item h-16. It's listed as a one-time item. But the direction from council was, okay, we want to add that to the budget and we want to count it against the quality of life funding bucket, but the quality of life funding bucket is all ongoing. So we weren't 100% positive what council's direction was. It's on the concept menu as one time, but you backed it out and counted it against an ongoing source of funding, so this morning I made the decision to move it over to ongoing. I felt like that's where it best fitted and was intended to be. And then you can see at the bottom, just this morning we sent out this other update to remove 51 positions and ancillary costs from the development services department. I don't think -- council member Houston, I don't think that's even on the one that I sent you last night, because we just added it this morning. Now, I will say I sent this to our technology folks about an hour ago, and we've added a few items to the menu even since then. So I probably should have sent him an updated version on there, but since this morning, we've also had an item to reserve that \$600,000. That was a positive. We set that aside. We said we actually need to reserve that funding. So if I were to bring up a new version, you'd have the item that's negative \$600,000 to reduce funding of development services positions. There was another item I just added to reduce the mayor and council budget, to reflect a salary correction.

[11:18:05 AM]

That's \$30,833 positive for the general fund. And finally, I just added an item to reduce Google fiber priority processing for \$100,000, and that's so that --

>> Mayor Adler: We haven't taken a vote on that yet.

>> I'm just one ahead of you. I got it. It's not up there. It's on the line, but you haven't voted on that yet. I understand.

>> Mayor Adler: Okay. Mr. Casar, you want to explain yours?

>> Casar: I would like to lay out what I've worked on here with council member Garza. First, I really want to try to explain what this is. This is not my preference to deal with the 5.5 million. It is not what I think should absolutely happen. It's not -- you know, I would support lots of amendments to this likely. It is me trying my best after yesterday to figure out how we get this 2.something million-dollar number, trying to leave in place as many different council members' priorities, just so we have a starting point, so that as we look at the course of new revenue, we can figure out what we want to replenish. So, everybody will probably circle something here that they're not happy with. I can probably circle ten things here I'm not happy with that I negotiated myself with at 1:00 in the morning. And that's good because we probably will have amendments to replenish some of this. So this isn't me trying to cut people stuff. This is me trying to cut everyone's stuff so we can see where it is that we're at. So it's that honest attempt. If I could explain it quickly, line by line. I moved \$150,000 of the after school programming for primetime into one time for ongoing. I reduced parents specialists, there by 20%.

[11:20:08 AM]

Council member Garza reduced her postsecondary program at Mendez also by 20% from the original 80,000. The percentages may be a little bit off. I tried my best. Move the pay for success into the reserve. Then I reduced pretty significantly capacity of rules and services. This used to be at a million. Now it's at 590,000. The navigators were reduced by 30%. The millennium equipment remains, but not with bowling, so that's \$50,000 off. There were two different versions of the aarc master plan item. That's at 200,000. Immigrant legal services, which you all know is a key project of mine that I care a lot about. To try and model that that is not something that -- I reduced that one by 40%, which is about the maximum percentage for any of these small items, and I actually split it half between ongoing and half on one time. Then the quality of life is actually further down. Sexual assault counselor trainings, \$50,000. I left those alone because there's really nothing to save there. The public health contracts were reduced from a 3% capacity increase to a 2.5% capacity increase, so that's 15%. The living wage for temps is no longer at \$13 an hour, it's now at 13.84. Creating a second tier of employees, which we've worked really hard over the last few years to finally change, and that leaves that second tier in place, which is really disappointing to me, but that's what it is, a reduction of 20%. Mitigation fund remains in that fund. The senior exemption reduced by 20%.

[11:22:09 AM]

The justification of this placement study, it just remains there because there's not much to squeeze. Ada improvements and parks. I moved over to see if we can get other funds from fees or development

services. I think the mayor pro tem has been asking questions about how much of that we can fund there. The carver museum, not much so say, so I left that alone. ACA enrollment outreach, also reduced by 30%, just like some of these other items and split half between ongoing and one time. And the fair housing summit, I split between one time and potential hot tax, I know Mr. Renteria is working on that issue. The cultural arts small funding, which was voted by the council this year at Sam's corner remains -- and cultural site event funding this year, the council voting to have that at the pan am center, remains there. And that is -- oh, and the workforce development also down by 20% to \$80,000. Got \$30,000 so thank you. That ultimately leaves, instead of a -- what really is a \$3.3 million gap, because the number has to go down by \$600,000 on the dse, so instead of a \$3.3 million gap, this leaves a \$166,000 gap in ongoing and a \$52,000 gap in one-time. And that to me sounds like a really solvable thing to balance out. For example, you know, if we did the meager Google fiber thing or found some cip money for some of the master plans or whatever, that would be zeroed out. So I'm happy to answer any questions about this. I would -- if council member Garza is willing to move this, I would second it as the motion working off of today, and then I hope and believe we will find more revenue, and then we can start filling in some of these holes that I put into things that I really didn't -- for me in particular, the hit to having two tiers of employees again, having some of our lowest paid employees be in this zone that's less than our living wage I think is horrible and probably the first place I would want to fill in the hole.

[11:24:27 AM]

So I myself having sent it to find revenue to replenish this.

>> I just have a quick question. It looks like we're down toward the bottom where three moved to one time line items, the 41 and the 50, should they move over to the different column?

>> Casar: Sorry. I previously moved those to one time, and then moved them back, not knowing what folks wanted to do the most. Ultimately, since there's a little bit of a gap, it's up to y'all as we balance it out. So at first, I had moved it to one time probably at midnight and then probably around 1:00 in the morning.

>> I'll just line out the move to one time. Because I think they would be ongoing anyway.

>> If you could give us the item so we know which one you're moving.

>> Mayor Adler: Items 4 and 5 on the bottom. Is there a second to that, serving as our base? Ms. Garza seconds that. Do we want to adopt this as our base to work off of? Any objection to that?

>> For clarification, the longer one is an old version. The shorter one -- the smaller piece of paper is the newest version.

>> Mayor Adler: The number is down at the bottom.

>> Only council member Garza has the longer sheet.

>> Mayor Adler: Okay.

>> The piece that I was talking about isn't shown on -- it's over off to the right on the piece of paper that's on the overhead. But it's c-19 and c-14 and 15 where it says in the comments move to one time, just erase the move to one time, because they keep them in ongoing.

>> Mayor Adler: Okay. Without objection, that's now the base. When we get to this, that's what we'll start working off of. So Ed, you could make those changes on your deal. All right. So do we want to get now into -- anything else before we get into hot tax kinds of discussions?

[11:26:30 AM]

I want to go back to Ms. Troxclair.

>> Can I ask a question about this?

>> Mayor Adler: Yes.

>> First of all, the 20% reduction to the senior reduction I guess brings the total to \$160,000. Can you tell us what kind of savings that would equate to if we're only increasing the senior homestead exemption by \$160,000?

>> If you give me about five minutes, we can. We'll get it to you.

>> Mayor Adler: \$200,000.

>> And I think that his proposal kind of put in an additional 20%, which would bring it to 160,000. Unless I'm understanding it incorrectly.

>> What we had before, \$250,000 and he's taking it down from 250 to 200.

>> Kitchen: It's bigger than that in here. Am I looking at it wrong? There's 200 in ongoing and 63,676 in one time?

>> Okay, what is the number?

>> So my understanding is that we voted on \$250,000 yesterday.

>> Kitchen: Right.

>> And this has modified that to 200,000 in the ongoing column. I did not fully understand where the one-time expenditures came from on the senior exemption, so I believe I left that alone. This was in my little side notes.

>> Mayor Adler: So the numbers that were on the sheet that Ed sent to us this morning for the senior exemption reduction by \$2,000, the ongoing was \$253,255, and the one-time expense was \$78,766.

>> And let me make something clear on this sheet. For example, in the left-hand column, it's still -- I kept the names of what we voted on yesterday.

[11:28:34 AM]

So it still says, for example, two equity office positions. I think we want to change the names of what we voted on. I just showed that we would have to try to balance this out, cut that funding in half, which would make that one equity office position. So the column on the left is the concept item name. And then the -- the funding on the right, you can see how the funding was cut. So ultimately, yes, for every single -- for virtually every single thing here, there would be an impact, except for the smallest things that would be eliminated if we took an impact. Less parent support specialist, less improvement in wages for attempts, less benefit to seniors, and my hope is, we can replenish some of these.

>> So my question is, whatever level we have now, if you can tell us what the impact to the typical senior would be, that would be great.

>> The exemption currently is 82,500. I believe it was going to be very, very close, that Casar's change would increase that. So it would go from 82,500 to

[inaudible]. With regards to how does it translate to the typical senior, we can work on that.

>> That's the number I'm looking for. Thanks. We begin offering sick paid days off. How much of that number -- how much of the 490,000 is the living wage, minimum living wage to -- I think you said 1380 and how much of that is offering sick --

>> It's about half and half.

>> Okay.

>> Did we have -- I don't remember talking about that, but maybe I was off the dais.

[11:30:42 AM]

>> I think in conversations with council member kitchen, we were working on how do we make it so our temp employees are not second or third class members of our city. And the biggest gaps with the wage and missing out on sick days. So this was the way to try to remedy that. Ultimately, the intent of the concept is let's stop having temp employees who have been working here for months and months and years, just anything less than staff persons.

>> Mayor Adler: Do you have the specific -- do you know how much is which and which?

>> Casar: It depends on the -- I believe it's about 220, and -- excuse me, 220 and 270. If we implement in January for folks that have been working here, I think six months, and then 270. But we will -- but frankly, that's the first bucket that I will probably try to replenish, because all of a sudden I think it creates an incentive if our temps are lower than other classes of employees.

>> And so do full-time employees earn paid sick leave immediately upon hiring?

>> Casar: Okay.

>> Okay. Did the city manager -- remind me if the city manager's proposed budget included -- what was the living wage that it included? Was it 13.50?

>> \$14 an hour for permanent employees. That's what the budget includes. So this would still not get us to the temps having 14. Are

>> So that line item was just for temps.

>> Casar: This is trying to fix the problem of the we're going up to \$15 for our permanent employees, I believe it creates a bad precedent incentive to leave the temps below, because then people could be put to the temp.

[11:32:55 AM]

>> Troxclair: Thank you. I'm happy to move my occupancy tax item unless other people have questions on this, I'm happy to defer.

>> Mayor Adler: Any questions on our current pace budget at this point? Yes, Ms. Pool.

>> Pool: I looked at -- and this is an area that I may have caused yesterday when I was check out city's connecting children to nature, midway down the page, the 17,500, I think I started to say that was the mitigation fund. Mr. Vanino's sheet has it correct, which is one time. Maybe that's a conversation we can have, the mayor pro tem may find that we can use the -- this one could go there. But I don't have confirmation of it yet, so maybe if we just kind of star that and -- let's see. In the other column on council member Casar's sheet, it's \$17,500. On Mr. Vanino's sheet, it's under one time, and so that was a

little bit influx until we can get some certainty on whether that can actually come out. I just wanted to highlight that. Thank you so much.

>> Mayor Adler: So you're carrying it now as one time and not as other?

>> Pool: Yes.

>> Casar: In my motion to address that, it was mine last night having remembered what it is that you said. A mistake, but it was mine.

>> Oh no, it was my mistake.

>> Mayor Adler: Is that right? So on line 23, item h22, a one-time expense, not an other expense?

>> Until and unless we can get confirmation that that actually can come out of one of the tree funds that we've been talking about with the mayor pro tem.

[11:35:01 AM]

>> And I really think that is an important thing to explore. We have something like 3.8 million in those tree funds for education planting, other activities related to trees preservation and whatnot. So I think that would be a really -- I mean, as I understand, the program that council member pool has outlined, I think that would be a really appropriate expenditure. So I think we can use our tree funds those ways.

>> Mayor Adler: And Ed's checking on that. Any other questions about this page? Ms. Houston.

>> Houston: Council member Casar, could you tell me where the quality life mini grants have been swapped with the duplicate item?

>> Casar: Yes, there is 50,000 on the 1, 2, 3 -- fourth from the bottom of the grants. If we look at living wage, it's fourth from the bottom.

>> Houston: Okay. Thank you. And then on item g12, which is translation services, that's not an fte?

>> Casar: That's correct. I'm happy to have that be fixed as part of the motion as well. Thank you for catching that.

>> Just one clarification. I think yesterday when you all voted to cut the budget for the fire department, you talked about -- we took that out because that's part of the contract, so it's just a cut to the fire department?

>> That's correct.

>> Just so that's clear.

>> We'll change the language.

>> I just want to --

>> Mayor Adler: Go ahead.

>> Kitchen: I just want to point out so the public will understand, this is what we're dealing with right now. There's a number of items that are not on this list that we have the opportunity, as we continue to talk today, we can talk about them, but we also have the opportunity when we come back, the budget amendment.

[11:37:06 AM]

I want to mention specifically the item around the repair services, the additional funding for home repair and architectural removal services, which is a 75 -- around 75,000 one time. It's e-13. And it was a recommendation from our senior commission. And I just want to highlight that for the public and for the senior commission that that is not an item that I have -- that I am not pursuing. It's an item that when it comes to the appropriate time, I'm going to suggest that we consider as part of our budget amendment process. The other thing that I want to bring forward is that I had also brought h5, which is about -- well, actually, council member alter and I had brought h5, which is additional funding for senior specific programs. The cost was around 38,000. That's not on this list either, and it is one that I'll -- I will -- and I don't know how council member alter feels about it, but I want to make sure it continues on our list when we come back for budget amendment. So I just want to make that clear for folks.

>> Mayor Adler: Okay.

>> Kitchen: One other thing. I'm sorry. I'm just responding. Others will be doing the same, but it's important that I respond because there's some confusion about what we're doing. So the other very critical item is s-19, which is victim services. I brought this forward. This is for five new full-time counselor positions in the victim services division of att, some of which is for sexual assault survivors and other crime victims. This is an item that I will be proposing that we consider, when we consider the -- we'll really be looking at safety at that time and the APD budget, and that amount is around 500,000 or so. I want people and the public to understand that this is not being dropped off.

[11:39:16 AM]

This is a very important conversation and I know it's important to others on the dais also.

>> Mayor Adler: Okay. Yes.

>> I'd like some clarification on what you're proposing with respect to the paid for success program. I thought we had agreed yesterday that we could just put it into reserves below, so I would like to understand what you're proposing there. I'm in favor of the paid for success program, but it seems like you just moved it to under 12%.

>> Casar: I can respond to that, but I know the mayor pro tem has been -- just essentially, we heard yesterday that it was -- it could be a challenging, slippery slope for us to put -- to allocate funds, and I concur and I do not think we should go down that slippery slope. And so -- but considering the business funding that ultimately is a -- is not for spending, but for recruiting other public entities to come onboard, I think I can put the draft budget direction alongside to keep that slope from being so slippery, and so that is under the space motion, flagged and reserved.

>> Alter: So it's still an obligation that we would be incurring and next year we would have to come up with that million to --

>> Casar: It would be -- it's not an obligation, because we're not spending it, we aren't obligated. Obligating ourselves to spending it. Next year, we would have to amend.

>> Alter: I think some of my other colleagues have questions on them.

>> Mayor Adler: Mayor pro tem, did you want to talk?

>> Tovo: I think council member Casar has laid out what the plan would be.

[11:41:17 AM]

It would be to draw for our budget stabilization reserve to the 11.9 mil with the understanding that we are going to do this extremely selectively and very infrequently we have done it in the past, and it would be really with the understanding that there's a certainty that we won't be paying it out this year. But, yes, we will be incurring an obligation. If we are able to successfully enter into commitments, legal commitments and work through the process this year, then we would be agreeing to an obligation for a period of five years, and so we would have to put that money in advance, in much the same way that we do with our economic development, our economic development agreements. I will say that, you know, the point of it is, as you know, council member alter, and I know you actually articulated really well kind of the benefits of it in one of our conversations here, the city is obligated to pay that only when and if the program demonstrates success. We are quite a ways -- well, we are quite a ways from working through the legal challenges, and the logistical arrangements that will need to be in place. It is in my assessment and in the assessment of the others who have been working on this in the community a really necessary first step to all of those future negotiations, some of which are I believe happening this week within the healthcare community. It is that necessary first step for us to commit the funding. That

would be our piece. Even though we have much to do in front of us and approving legal commitments and contracts and things of that sort, that would have to come to council for approval.

>> Mayor Adler: Ms. Garza.

>> Garza: I was just going to say that I'm ready to unblock council member kitchen's motion, and that would put us --

[11:43:18 AM]

>> Mayor Adler: Okay, we'll come back in one second. I'm okay with putting this money into the reserve, because my understanding is, as Mr. Casar has laid out, that before this money was obligated, before we would participate in the program, we need to actually see the documents in the agreements come back. So I see it as a reserve to have money set aside should the council decide to -- and should all the other partners come in. So to me, that is also a reserve and at that point we take action, and at that point, if we were to take it out of the reserve to fund it, at that point, we would take the decision, whether to take it out of that reserve to fund it, or whether we fund it in a different way, and at that point, I see us then addressing the 12% issue. Mr. Flannigan.

>> Flannigan: I don't understand why it's necessary to put our reserve levels lower than 12% when I'm hearing both that we aren't really promising to spend the money, but then we are making commitment that other people are going to take action based upon this commitment. We don't have legal documents drafted nor even a clear legal framework about how it would work. And because it's reserves, we could do it at any time. There's no reason we have to do this right now. This is a decision that could occur at any point. I don't understand why we have to do this now. I don't understand if it's a commitment or if it's not a commitment. You bring up the incentive, kind of future agreements point, and my understanding of the paved for success is it's not a rebate, which is what the economic incentives is, kind of the company we contract with pays their bill. This isn't that, is it?

>> Tovo: Well, the intent of it as I understand the structure of the program, is that the private investors will fund the program that has been identified as promising to be successful.

[11:45:25 AM]

And successful not just in meeting the outcomes, but successful in reducing other costs in the system. In this case personal supportive housing reduces costs in our criminal justice system, it reduces costs within our health care community. So it is -- once that program is able to demonstrate success and a

return on that investment that was put forward by private investors, then we are obligated for our portion of that piece.

>> Flannigan: But the legal framework and the definition of that has not been clearly defined?

>> Tovo: So we passed a resolution, possibly unanimously, maybe not, but with a lot of support last spring, to ask our staff to move forward in negotiating with our -- and to set up a legal framework that would allow us to operate. They are still in that process. However, it's my understanding based on talking with some of the individuals who are most involved with this that they are in the active process of trying to negotiate and talk to central health about their participation in this to some of our health care partners here in Austin, and it is critical to this model, the way it works in other places is that the municipality does participate. So without a firm commitment from the municipality to participate or as firm as we can make it at this point because we have to of course approve my contracts or whatnot down the line, but this would be our firm commitment -- I know councilmember Casar is talking about it as symbolic. I would signal it as a commitment to participate in this. It is a very meaningful action and as I understand it the very next step to seeing this concept advance, which is something the council directed.

>> Flannigan: I'm just not comfortable with the next step being allocating money before there's a framework and a contract around it.

[11:47:26 AM]

And we could have this conversation at any point. We had a resolution, that sends a good commitment too. I don't see why this has to be done in the budget context. We can make this at any time and until I see that process that's going to determine how we track what success means and how we know that costs are being saved before the money is being allocated, I think it's all very premature and at this point just distracting from a larger conversation. My perspective on the reserves has been very clear. Twelve% I don't think it is where it needs to be, even though the concept of the program is something that I support.

>> Mayor Adler: I understand your position although I don't share it. Is the larger conversation the one about the reserves or the larger conversation about this concept, just so I'm clear.

>> Flannigan: Well, I think the larger conversation on reserves is ongoing.

>> Tovo: This is distracting from the larger conversation. I just want to know.

>> Flannigan: Just from the rest of the budget. Whether we do or don't do this, this doesn't change the balance numbers we're trying to get to.

>> Tovo: Maybe not, but as our strategic planning process indicated, ending homelessness in this community is one of our top priorities as a council. That did definitely rise to the top. So I think taking action on that is extremely critical to the work that we're doing here today, though it doesn't necessarily impact our bottom line.

>> Flannigan: We're going to be doing this to each other a lot today. I don't think it's fair to take any one program and make it about solving a problem. We are making a lot of hard choices today and we can't -- it's not fair to any of us to make this sound like whether or not I want they may or may not be a commitment or may or may not not have a savings in the future,, it's not about whether or not I support supporting homelessness.

>> Tovo: That's not what I said, councilmember Flannigan, I'm specifically responding to the comment that this is distracting from our larger conversation here. I don't see this as a distraction. I see this as -- I think reasonable minds are absolutely going to disagree on whether this is the right timing of this decision and reasonable minds on this council are going to disagree about whether we should fund it through the reserves.

[11:49:37 AM]

I completely respect your opinions on that. I do not agree and can't agree and can't let it go unpassed that having this conversation today is a distraction from what we're trying to do because I see it as part of what we're going to do.

>> Flannigan: And I think my point larger was this conversation is no different tomorrow, but there are things that have to be decided today.

>> Mayor Adler: So we have as our base budget this that we've -- in a moment we'll make changes to it and someone could amend it by not putting it into the reserve fund. But that's in the base right now, but now is not the time for us to be making amendments to this. We're not to that yet. We're going to handle these other things first and then we're going to come back to this for people to be able to make amendments to it. Councilmember alter.

>> Alter: Thank you. I want to make it very clear that I'm very supportive of the pay for success and I think we have to send a signal now because of the ongoing potential negotiations in order to succeed with it. What I'm uncomfortable with is not having 1.2 million that we can commit to the program. I think this is article, really innovative way to get to permanent supportive housing. What I am objecting to is us not allocating that money out of money that we have above our 12% amount. So if we do find more money I may suggest that money come from there, but I do think this is a dangerous slope and I am not comfortable with compromising our fysoundness without, you know, recognizing that.

>> Mayor Adler: Okay. I'm sure someone will make an amendment later in the day and we're going to debate it then. The purpose for now when we're discussing this is just to ask questions to better understand it and then we're going to get to these other matters and then we'll get back to this. Ms. Houston?

>> Houston: Thank you, mayor. First of all, I want to thank councilmember Casar and councilmember Garza for working on a compromise-based budget for us to work off of today.

[11:51:43 AM]

I've seen where you have tried really to reduce some of your precious issues in order to make money available for some other issues that people have. I want you all to know that I appreciate that. The expanded hours in capacity, which is C 29 towards the bottom of your list, was a generating -- revenue-generating item for those four cultural centers. And so at some point I will put some of that back in the budget, but I just wanted to really thank you all for working on this.

>> Mayor Adler: Okay. And that one wasn't in -- since we didn't take a vote on that yesterday, it wasn't in Mr. Van eenoo's pages. We had brought up the carver center, we then had a discussion about the four items. The carver center was adopted, we moved that on, but the four items we never took a vote on so that's why it doesn't appear. Ms. Pool?

>> Pool: Thanks. And then the item that I brought up at the end of the day that we also didn't take a vote on was item C 27. It's a combination item with councilmember alter and me and I passed around the budget writer document -- budget rider document yesterday at the end of the day. And this is the second of -- these two items are the tree mitigation funds that we knew where come from that. And it shows as \$73,276 for one fte from the urban forest replenish. Fund. This is the watershed protection youth education program.

>> Mayor Adler: This is an amendment you will make this afternoon when we get there?

>> Pool: This is one we talked about the rest of the day yesterday. We didn't vote on it because we were tired. I just didn't want to lose it and also wanted to remind that this is not going to affect the ongoing or one-time bottom line because it's coming from funds that are available and in an existing fund.

[11:53:52 AM]

So just give me the high sign when y'all are ready to put it in. All right, thank you.

>> Mayor Adler: We'll get through the hot tax stuff that we're supposed to do this morning. Ms. Kitchen.

>> Kitchen: Before we get to hot tax I would like to go back to the item we had tabled because councilmember Garza said she was ready to take it up.

>> Mayor Adler: Okay. We can do that.

>> Kitchen: Okay. So --

>> Mayor Adler: We'll take the matter off the table. Councilmember Garza, did you want to speak?

>> Kitchen: I think we could probably just vote on it unless you want to say something. Go ahead.

>> Garza: I had concerns about how this would affect Google. I understand the concerns that this isn't about abortion but when a company is providing -- we often say that we can't provide for everybody and then when a company comes in and provides that stuff it helps us as a city. So everything is about relationships and I just wanted to make sure that we weren't harming a relationship and it seems like we're not, so I'm ready to vote.

>> Mayor Adler: So there are two issues to this. It's to take \$100,000 out of the expediting program and \$100,000 out of the reserve we've created for dsd. Does anybody else want to split that question other than me?

>> Houston: I'm ready to vote on the \$100,000. I think I made that clear awhile ago. But not the \$200,000.

>> Mayor Adler: So let's split the question. The first question will be take \$100,000 out of the expediting fee item. Those in favor please raise your hand. Those opposed? Troxclair, Flannigan, me and alter.

[11:55:54 AM]

It passes seven-four. The next question is to take \$100,000 out of the reserve we've created for the dsd conversation in two months. Those in favor of taking \$100,000 out of that please raise your hand? Those opposed? Troxclair, Flannigan, Houston and alter. That also passes. Okay.

>> Casar: So mayor, that leaves us with 36,000 in the black on going with this spreadsheet. More or less.

>> Mayor Adler: I just counted off the ones in favor.

>> Houston: Did you count me as against?

>> Mayor Adler: I sure did. Do we want to have any of the hot-related conversations or changes to that? Ms. Troxclair? I had recognized you before and then cut you off so we could do the conversation so I'm going back to you.

>> Great, thank you. I want to make a motion to move the spring festival public safety funds that are currently coming out of the general fund and move those costs to being funded through the convention center and hotel occupancy taxes since that is a clear legally permitted use of those funds. And to take that 1.5-million-dollar balance and give it back to the taxpayers who should have never been paying for it in the first place, by lowering the tax rate.

>> Kitchen: Mr. Mayor?

>> Mayor Adler: So Ms. Troxclair's motion is to debit the -- was it the convention center or visit Austin?

>> Troxclair: Convention center.

>> Mayor Adler: To debit the convention center for the \$1.5 million for police during the spring and to return that to the taxpayers in a lower tax rate, I guess it would be.

[11:58:00 AM]

So to keep that money unspent so as to have a lower tax rate. That's the motion. Is there a second to that motion? Discussion? You can discuss it first if you would like.

>> Troxclair: Well, I know we've had pretty prolonged conversations about this. I hope that there is broad agreement on the dais that this is an appropriate use of our hotel occupancy taxes and this is not something that should be covered out of our general fund since it's a direct expense for tourism related activity. And, you know, this is the -- this is the item that got me interested in hotel occupancy taxes to begin with because I realized that it should not be our Austin taxpayers who are footing the bill for it. So in -- I just asked for your support. You know, the one thing that I'm glad that it seems like the dais is coming to an agreement on, the \$5 million, but I hope we'll keep in mind that this budget is raising spending by about \$60 million and the one thing that hasn't been included in this list is tax relief for just average austinites. So this would be one way to accommodate the pleas that we have heard from across the city to please do what we can to address the cost of living by giving them back this money that, as I've said, they shouldn't have been paying in the first place.

>> Mayor Adler: Mr. Casar?

>> Casar: Two procedural things that I want to ask about. The first related to hot tax, I would really appreciate some executive session time myself on these various items so I would really like to potentially have a list of the motions on the table so we take one executive session instead of having us trot back and forth between the back room and this room every time there's a motion.

[12:00:09 PM]

I would really like to go through that list. I know our staff have put lots of time in being with us during the executive session so I beg their indulgence for me to be able to ask final questions on the votes before the hot tax items. So procedurally just for me, instead of asking for it now and then us coming back and doing it again, it's not because I want to delay this particular motion, it's just for efficiency of our time. So that's my first request. And then second, I was trying to get a word in on this before a motion came out, but things got tied up, but it is about the base motion. I had asked for councilmember Garza's permission to mention that I had worked on this directly with her. I had not had time to ask other folks their permission. But I do want to also -- I want to thank councilmember Houston for her kind words about the level of compromise. One of the biggest areas of compromise here were some of the mayor pro tem's items so I do want to just recognize that this base motion did come from significant compromise from her and.

>> Kitchen: . But I want to -- from her and councilmember kitchen. But I really want to thank her for that and the work getting us here, but knowing we have lots of other work on these various items.

>> Troxclair: Can I ask if there's -- I understand that this issue -- is this particular issue one that you have questions about for executive session or would it be possible for us to move on this issue and then go into executive session on any outstanding questions? This one I think we've covered -- I thought we covered pretty well the other day. The statute is pretty clear. Nothing has changed. So I'm comfortable with taking a vote on it, but obviously I want to -- I'm understanding if you have further legal questions, but if it's an issue on the whole of future votes I would rather dispense with this.

>> Casar: I would say, and I expressed this in executive session, I feel that we have had very thorough and helpful advice on the issue broadly.

[12:02:11 PM]

I do not -- I personally have lots of questions on each individual case and sometimes we had cases used theoretically. This is the first time that we are bringing council motions to do this ourselves. So for me really it does have to do with I would like to ask questions about the specific amendments. Including this one, but generally about council amendments that come forward on hot. I don't have a decision on whether to vote for any of them or against any of them right now. We've had very good broad briefing, but I would like briefing on individual amendments, including this one.

>> Mayor Adler: It's noon. I would suggest we go to lunch and that everybody at lunch -- let's surface all the different uses of the hot funding that we can so that we can have conversations if anybody wants to have one about the legality of any one of those. Mayor pro tem and then Ms. Kitchen?

>> Tovo: One more procedural question. So we have not been, for the most part, linking reallocations with particular expenditures in the way that this motion, as I understand it, does. So I would hope that there would be an opportunity if not to split the question, to at least -- well, perhaps to split the question.

>> Mayor Adler: Absolutely as we have always done. Ms. Kitchen?

>> Kitchen: I was just going to respond to councilmember Casar's question. There are other hot tax amendments. Two of them I'll signal that I'll be bringing forward are very specific, one of them relates to the -- I'll bring them forward depending upon the results of other ones and that relates specifically to the master plan -- master planning for zilker botanical gardens.

[12:04:13 PM]

And some funding related to Umlauf. So those two I will bring forward depending on the result of other hot tax amendments.

>> Mayor Adler: Okay. Anything else before we break? Yes, Ms. Pool?

>> Pool: Along the line of master plans, I would like to include the mexican-american cultural center in that for hot funding, and there are some items on the list that we have offered in the past, the old bakery and emporium, which I'd like to see some discussion on that as a welcome center for the city. And I think we had a list of various other facilities and structures that have been passed around. So I guess we could just introduce that entire exhibit a from our conversation at our last council meeting. So I think we kind of generally have a list of things that we're looking to fund.

>> Mayor Adler: And my sense would be that one of the issues is whether -- we have \$8.6 million that has been freed up of hot tax money in our base budget. And we can spend that \$8.6 million on things that are covered by chapter 351. And then we also have the conversation about general fund items. Can we take something out of general fund and pay for it otherwise. We can have both those conversations that we can talk about there.

>> Pool: And the other thing we talked about was allocating the funds and then working at a later time with our parks and rec staff on which ones flow to the top so that that would be more of a general conversation that wouldn't necessarily need to be the subject of an executive session today because these are items on a list that have been vetted previously.

[12:06:25 PM]

>> Mayor Adler: I think that point is well taken and that's how I thought we would do it is we'll take that 8.6 and then take time to develop things that can be charged against that except for those things that are in our general fund that somebody might want to be doing now, which is as I see the conversation we're generally having.

>> Pool: That would be great and if that's specifically what the executive session discussion would be today, it wouldn't be an expansive, extensive conversation. It would be on items from general fund that would be covered under hotel occupancy tax.

>> Mayor Adler: I think we're going to limit to that and how we spend the 8.6 otherwise for things that are not in the general fund, listing projects and the like, would be something that we don't have to decide today so we'll have to set up a process to do that.

>> Pool: And then there was one last thing that I just wanted to bring up, and I did not have the specific conversation. But I believe Mr. Van eenoo was asked about finding the additional 1 to \$2 million above the 8.6 million from the hotel occupancy -- from operations with the convention center. And I'll just put that out there to see if that -- if we're able to find that additional monies. Those additional monies.

>> I think it's 2.5. The 15% would be \$11.1 million and staff's recommendation was two and a half million dollars short. I think there's two options available to you and with what parameters you've put around us trying to find this 15% funding for historical preservation. One would be to list Austin's budget and take further reductions to the visit Austin budget. We've worked closely with them and our understanding is that the threshold where you will start seeing some people have to go out the door. They would not have enough funding for marketing and promotion and advertising to warrant their staffing levels so you would see a layoff of personnel that is included.

[12:08:30 PM]

That would be one option if you were to change your mind in regards to that opinion about laying folks off. The other option -- so if that's off the table, now you're looking at the four and a half pennies that currently goes to will convention center and reducing that four and a half pennies to something less than four and a half pennies and we can reduce the pennies that go to historic preservation. The concern there is that our os's for the convention center specifically have four and a half pennies for that and anything that reduces that four and a half pennies creates concerns from a rating perspective. So that's why we didn't recommend that either. But we did caveat all of this that one way or the other, whether it's an expedited payoff or just staying on the current amortization schedule, once those bonds are paid off then we do have the ability to get to the full 15%. And that could be as soon as 2021 is my understanding, could be as late as 2029, just depending upon how quickly we're able to pay off those outstanding bonds. But those would be the options and the caveats associated with it.

>> Pool: So Mr. Van eenoo, in those options we've asked previously about the two different reserve funds. The one that's 73 million that has been being building over the last however many years and the 31 million that has been building over the last number of years. The venue tax piece, which is the 31 million, is to pay off the debt, which was the most recent expansion of the convention center. And then the 73 million is being put aside in anticipation of expanding the convention center yet again, is that correct?

>> Conceptually. I'll trust your numbers. I don't have them in front of me, but yes, those numbers were set aside for those purposes and so that would also be an option. But from the perspective of the pledge that I talked about, whether those are in the future, lowering the four and a half pennies to something less than that, that's a change in the pledge, foreit's taking revenues that have been collected from the four and a half pennies and held in reserves and saying, do you know what?

[12:10:48 PM]

Now we want to use those monies for something other than as a pledge against the bonds. Either way we're diverting revenues that came from the four and a half percent to a use that was not envisioned in our -- when we entered into the bonds.

>> Pool: I understand that, except to say that we have not agreed on yet again expanding the convention center. So I am focused right now on the 78 million. And we have asked I think a number of times from the dais to have that conversation and I think that taking two million, ongoing two million from that pot of money, the reserves would not in fact, harm, any planned expansion should we decide to do that, but it would go a long way to fulfilling the expectations that state law has provided for any municipalities as far as the 15% spending bucket for historical and preservation projects and activities. So I recognize that this is territory that folks have wanted to keep off the table, but we have asked and I have asked repeatedly to have this discussion. And I am not comfortable allowing that 73 million to be off limits when we have not had any conversation that would lead the community to believe that we are in fact 100% going to in fact expand the convention center yet again. So I would respectfully request that we consider those reserves as entirely available for the fulfillment of the 15% for historic preservation.

>> Mayor Adler: Manager?

>> That is the question that we would like some additional time to work on with our bond council and financial advisor.

[12:12:52 PM]

That money is set aside for capital projects, not the expansion of the convention center. It is monies that were collected in prior years from four and a half% hot tax that has accumulated in those reserves for current and future planned capital projects for the convention center. Whether those reserves can be used today is not something I recommend. I made that clear in my memo. I recommend staying at the 8.6 million today, but commitment to get you to the 15% that you've asked for for historic preservation as quickly as we can, but I need some additional time. We've only had one week to look at this issue. And it is a very complicated credit. In fact, in some ways the convention center credit is more complicated than the two utilities credit because of the split of the hot tax. But I need to work with bond council and the financial advisor to see if these monies can be used for any other purpose. I just am not comfortable recommending that we go beyond the 8.6 million today and have asked for the time to do the work that we need to do the due diligence to make sure that we can either use reserves or use additional monies from our convention center operations. We can't make it appear that we're diverting 4.5%, any of that hot tax, away from the convention center to other purposes. We've already -- absorbed 6.6 million, which is allowable because when the convention center was set up it originally provided visitor bureau services internally. We outsourced it at one point because they can perform services that we are not allowed to as a city. So that was the way that we were allowed to pull that 8.6 million back to continue funding visit Austin operations.

[12:14:56 PM]

>> Pool: So the piece that I don't understand about what you've just said, and thank you for that additional information, if the state law allows 15% of the seven cents to go for historical and preservation and 15% for cultural arts, how does that reduce the four and a half cents? It's 1.05 pennies and the 15% is of the lower amount so it's not -- I don't understand how we can do the 15% for cultural arts, but not also for historic preservation bucket. I mean, it's the same language in the state law. Further, I don't see how not doing it for a number of years limits us in a way of beginning to do it now. I don't understand. And it may be tied up, as you say, in elements of the bond covenants, but it sounds like we have promised some funds that may not actually be available anyway if we were to use state law the way the state law is set up.

>> Troxclair: Mayor, if we're going to get too much further into this conversation, I think the appropriate place to do it is in executive session.

>> Mayor Adler: If we have legal questions associated with that, and it's already 12:16. This is a good time to break for lunch, go back to executive session. Councilmember alter?

>> Alter: I just have a clarification that may find some additional money. So in my understanding that there is \$500,000 of heritage money in the visit Austin budget. Is that still carried on? In the way that we're looking at this?

>> I do not believe so. If I'm wrong, somebody back there can correct me, but I believe it's part of them reducing two million dollars that is one of the things that they would reduce, but of course now we would have \$8.6 million for historic preservation, some of which would be for heritage grants.

[12:17:00 PM]

>> Alter: I understand and I appreciate all the effort that went into identifying 8-point -6z in a clear way. I thought the other day when Ms. Hart spoke that she said they would be proportionately looking at the budget. So I would like some clarity, Ms. Hart, as to whether they're looking at that 500,000 as part of that 2 million cut or if it's in the overall budget and it was going to get that sort of proportional look at itself.

>> Good morning, mayor and council, Julie hart, chief financial officer for visit Austin. Thank you for the opportunity to be here. The 500,000 that was in our budget was part of the city manager's original proposed budget. So we wanted to maintain that funding. When we were asked to reduce our budget by 2 million and because 8.6 was going to historic preservation we made the decision to reduce that 500,000 and take that out of our budget. If that is the direction council goes to reduce our budget by 2 million.

>> Alter: So in effect we're reducing your budget by 1.5, but transferred the 500 out. But in terms of another hit beyond --

>> It reduces our budget by 500,000. Last year we had an additional million that was put into our budget with the restrictions that five hundred thousand went to heritage grants and five hundred thousand went to diversity and cultural marketing. So that was restricted money that came to us for us to administer. In the past we've had anywhere from 200 to 250 budgeted for heritage grants just out of the allocation that we've received.

>> Alter: Thank you. I appreciate the clarification.

>> Mayor Adler: That answers that question? Before we go back into executive session, Ms. Houston?

>> Houston: I just have a quick question for the public for clarification. We talk about heritage grants and historic preservation, but then we talk about parks and recreation. Those are the only structures that we could potentially use this funding for if it was ever available and released.

[12:19:02 PM]

Is that everybody's understanding that this is for historic preservation or is this about parks and recreation facilities? I just want -- the public needs to be clear because in the exhibits that's what we're exhibiting is parks and recreation facilities. I just need to be clear?

>> Mayor Adler: Remember that question. Let's go back and have the executive session because I think it may touch on those issues and then when we come back out we can have the broader conversation. But Ms. Houston, please, bookmark that to make sure that we do. Yes, Ms. Pool?

>> Pool: And just to follow on my conversation with the city manager, what I will be prepared to do is make a motion when we come back in order to formally request staff to examine the two and a half million out of reserves and report at a budget amendment time when we have additional budget amendments that we'll be doing at midyear. So I would make that as a formal motion for future action.

>> Mayor Adler: I think that would be appropriate.

>> Pool: Thanks.

>> Mayor Adler: Are we ready to go back into executive session? Then we'll do that. City council will now go into closed session to take up one item pursuant to section 551.771 of the government code. Without objection, we will now go back into executive session. The time is 12:20.

[3:25:00 PM]

>> Mayor Adler: All right. We are out of executive session. It is 3:24. In executive session, we discussed one item, the budget item number 1. We're back out. Did you want to talk, raise the arr, Austin resource recovery issue?

>> Yes. We received a memo that I believe arr thinks they can continue their software project, but not -- just want to make sure I understand it correctly, but there will not be an increase, the 85 cent increase; is that correct?

>> We are also going to be -- I'm sorry.

>> Can you explain what the memo

-- I thought it said you need to implement your program, but there will not be an increase to the --

>> Right. So the option that we mentioned in the memo is that we can use \$1.6 million from our cash fund, and then finance that, which is equivalent to how much the 85 cents would bring revenue. So if we do that, then our rate would go down to zero. We get to keep both programs. You know, we have the vft program or project, which is really truly needed to have, and we can continue next year. On Monday, I mentioned that one of the scenarios could be that we could -- in order to get down to zero, we get to skip a year. But by using \$1.6 million from our cash fund to finance that, we can continue with our composting program and also keep the project, keep the vft project.

[3:27:05 PM]

>> Tovo: And there would not be an increase in fees?

>> No, no.

>> Tovo: I would like that option. Do I need to make the motion?

>> I would love for you to make the motion so we can move on.

[Laughter]

>> So we can go home. That's why I asked the mayor for you to come up first.

>> Thank you.

>> So I'm going to make the motion that we follow staff's option and I'll speak to that if I get a second.

>> Mayor Adler: There's been a motion to adopt the staff's recommendation with Austin resource recovery. A second to that? Mr. Casar seconds that.

>> Thank you for coming up with this creative solution. I want to express that I still have concerns about us becoming trash police. I want to better understand the policy of how we're going to be checking for contamination. Is that going to -- are there going to be fines assessed? I'd like to understand the whole policy behind that. I'd also like to know if we can

-- when the rfp for the cameras comes, the policy behind the storage of the footage, what that footage is going to be used for. Again, I'm concerned about big brother stuff with six cameras. If we can use that software connected to the cameras that are already on the newer trash trucks, I think however we can do cost savings, I would appreciate.

>> We can explain all of that to you and we can also talk about how this system that you have to use would help to find out, for example -- you know, a lot of people dump their trash in their recycling, and we can see that through the cameras. It's not that we place them, but we could use that so that we can educate people to not do that. We can kind of pinpoint -- the technology basically pinpoints what house

is doing that. We're not going after the house. We can have town hall meetings and just let them know, you know, do the outreach education and let them know what they need to do, what they can and they should not do.

[3:29:15 PM]

>> Garza: Okay. As long as it's not punitive.

>> No.

>> Garza: I would still like to know more about the storage and the footage and how all of that is going to be used. But thank you for sitting through all of this and for coming up with a different option.

>> No problem. My employees will love you.

>> Mayor Adler: Moved and seconded. A discussion? Yes, Mr. Flannigan.

>> Flannigan: So help me understand the tradeoff here by financing 1.6 million, there will be an additional cost overall?

>> It would be the interest on that, 1.6 million for a few years.

>> Flannigan: So help me --

>> I don't know exactly how much.

>> Flannigan: Help me and the community understand how we can keep a program, have no rate increase, have it cost more over time, is it going to drive future rate increases? It sounds like magic money, and I don't think magic money is a thing. So this additional cost due to debt financing spread out over multiple years will have what impact?

>> Well, the composting program, we would have rate increases every year. We've talked about that. One of the things I would also like to mention is that last year when we discussed the composting program our rate at, say, year 2020 would have been \$5.40. So we worked through that and we brought that down to about \$3.90. So we saved about \$2.8 million by looking at our equipment and how many ftes we could use. So we reduced our equipment to almost half which also reduced our ftes to almost half. So we saved almost \$2.8 million by doing that.

>> Flannigan: This is not an operational change, this is a fiscal decision.

>> On this one, yes. So there would be the interest rate that we would be paying over a few years and, Ed, would you like to help me with that.

[3:31:19 PM]

>> [Inaudible - no mic]. We understand the issue is contractual obligations to purchase these vehicles is seven year debt. I can't do off the top of my head what the interest costs off that would be, but certainly over time would have to pay back the principal on those vehicles plus the interest. But that does take the rate from this year and spread it out over a few years.

>> The interest rate would be about three percent on our certificates of obligation and if you calculated a three percent would be about \$48,000 per year over each year, seven years, just straight interest. It would be approximately 48,000 per year. That's just straight interest over the seven years. Sue the total cost would be \$336,000, and that's a very rough estimate.

>> Mayor Adler: Ms. Kitchen?

>> Kitchen: I have a question. Does this relate to reducing the rate, the fee, I mean?

>> Garza: Does it relate?

>> Kitchen: I wanted to make sure because I may have missed that. I didn't quite hear it. So this would result in reducing the fee then.

>> Garza: It does initially, councilmember Flannigan's point is over time it would be there.

>> Kitchen: Do we know how much by?

>> Mayor Adler: Do you know the rate impact.

>> 85 cents per month.

>> Right, 85 cents.

>> Kitchen: Okay, thank you.

>> Mayor Adler: Moved and seconded. Further discussion? Yes, Ms. Alter?

>> Alter: I just wanted to clarify. You said your staff would be made really happy. Is it that you think this is a prudent fiscal move to be debt financing this rather than paying for fees upfront.

[3:33:26 PM]

People do this all the time in business. In terms of their choices. Or is it your staff will love this because they will still get the cameras that we were otherwise cutting?

>> Again, cameras is not part of the project.

>> Alter: The technology and the package.

>> It helps a lot with reducing --

>> Alter: I'm not asking about whether or not the package is good. I'm asking is this what you're recommending versus getting your technology totally cut or is this what you're recommending because you think this is the fiscally way to move forward with paying for these things? Because we could say we want to pay for them upfront. We want to pay for them over time. And one of those others could be a better --

>> And that's really up to the council to decide. I mean, we're recommending this because that's what we thought and it would be the best way to move forward. I mean, if the council decides that, yes, let's pay upfront, all I'm trying to do here is really to keep the project and however we can do that. So if the council wants to do what I'm recommending, then -- or if you want to decide that, let's pay ahead of time, then that's fine. I don't know if I'm answering your question on that.

>> Alter: I'm trying to understand. I appreciate the desire to reduce the fees. I appreciate the need to have this technology. I'm trying to understand if we're paying this extra 49,000 I think was the amount every year. Does that mean that in next year we'll be raising the rates and the year after and the year after to pay for this or what are we going to feel as a city in terms of the fiscal consequences down the line?

[3:35:27 PM]

>> The 49,000, city manager hart was talking about, is just the interest, plus we'll be paying the principal on the vehicles over a seven year period so there will be rate associated with that over the years. What we've tried to do in Austin resource recovery and other sear's to use debt financing strategically, so even when there's a need to spread the costs out over time to create some type of generational equity issue or where there's a need to kind of smooth your budget, it's hard to deal with the budget if you have a huge spike in your, say, equipment costs one year. So if there was a five or 10-million-dollar spike we might say we can't really manage that within our operating budget, we need to spread it out. But for routine, regular, ongoing replacement of vehicles, we would look to fund that on an annual basis. So if we have a steady rate of, say, five million dollars of vehicles that need to be replaced each and every year then we cash fund those because long-term if you debt finance them you're just take interest and principal and we don't think it makes financial sense. But in this circumstance I think the challenge that staff was given was to seek ways to knots have a fee increase this year in Austin resource recovery. This would do this, but certainly there would be upward rate pressures in future years to pay back the interest and principal in future years.

>> Garza: So basically the way it was initially in budget, this option will cost more over the long-term.

>> Yes.

>> Garza: Well, my preference was to not have any hike. And I feel like if my choices -- I don't know if there are six votes to not -- my preference was not to have the rate hike. And I guess a plan B after this discussion would not be an option that would cost the city more in the long run.

[3:37:37 PM]

So understanding I'm very hesitant to approve this technology because I do feel that it is a bit of a luxury, but if this does cost the city more in the long run, if what it seems like the department is saying that they really need this, I don't feel comfortable making the choice to cost the city more in the long run. So unless anybody else is wanting to do what the new memo suggested, I'm fine leaving it as is.

>> I do want to identify too that the extra rate pressure we're really talking about is the extra rate pressure created by \$48,000 of interest costs over seven years, so about \$350,000. So long-term over seven years it would be slight additional rate pressure, but it does give the -- what this does is give you the ability to say, do you know what, we want to spread this new system out over seven years. Instead of having to have an 85-cent increase all at once, maybe it's 15 cents per year over seven years. Maybe that's more palatable. So that's another thing it allows you to do is to avoid the cost over time to avoid the shock to the rate.

>> Tovo: I see councilmember kitchen and then we might consider bringing this to a close and take up some of the other items.

>> Kitchen: I was just going to comment I appreciate what councilmember Garza was saying, but I do appreciate from a consumer perspective what I was concerned about is the ability to reduce the fee. And I think spreading that in a way that Mr. Van eenoo explained, I think that's better. So I'm still in support of this item.

>> Tovo: Okay. Councilmember alter.

>> Alter: I know we don't have the numbers before us, but I'm wondering if there's an option to kind of split the difference and do half of it through the co's and half of it through the rate increase.

[3:39:38 PM]

I don't know if that would cause too many problems.

>> We can do that. Financially we can do that.

>> Alter: Just an idea. I haven't --

>> Tovo: So the motion on the table is to do Austin resource recovery as suggested in the memo. Do you want to continue with that motion.

>> Garza: Sure.

>> Tovo: Any other comments, questions? Okay. All those in favor of that motion signal by raising your hand. Sorry, you better raise your hands a little longer. The motion -- councilmember Garza, would you like to restate the motion?

>> Garza: Would be to -- is this on? To not have the initial hike this first year. To -- what is it, debt fund co's, so it's over time there's a hike, a rate hike over time.

>> Tovo: Okay. I was going to call for a vote. It looks like with the mayor off this will be a closed vote and we shut probably wait for him to return. Is that all right with everybody? Okay. Let's move forward. Councilmember kitchen.

>> Kitchen: Well, unless someone else wants to --

>> Tovo: I think we just kind of need to keep moving. Why don't you bring forward your item.

>> Kitchen: I can bring forward -- let's see. I'll bring forward the one that I have related to -- is it okay to bring forward one of the hot tax ones, do you think? Let's wait on that one. Then I'll bring forward --

>> Tovo: I think we have some budget riders in front of us. We have some cost allocations.

>> Kitchen: Do you want me to bring that one? This is one that I left on everyone's desk.

[3:41:39 PM]

This is a reallocation -- what this does is it's a motion to shift funds from the global business recruitment and expansion program to the city's communities program as a -- to the city's small business program as a support. So to give you some background, this would shift 853,000 to small business use. As a background, the global business recruitment and expansion fund in our proposed budget has been increased and it's been increased by this amount. And so what this does is just shift that amount over to be used by the small business program. So it better balances the allocation between the global business recruitment and expansion program and our local small businesses. Over the years the amount that's been available for our small business program has been going down, so as a percentage of what is spent out of our economic development department. So what this would do is -- it's a percent of the economic development's budget and it's not taking away from the budget, just shifting it from one portion to the

other. And it moves the small business program to 11.7% of budget funds as opposed to 11.1 percent. It's a shift for small businesses. So that's what my motion is, I move that we make that reallocation.

>> Tovo: I see Mr. Johns up at the dais. Mr. Johns, would this impact any existing staff since it's reallocation?

[3:43:54 PM]

>> Kevin Johns, economic development department. Half a million dollars is a grant from the U.S. State department for Pakistani entrepreneurs that are in the United States that are here in Austin. So that money can't be transferred. Then there is \$294,000 that is an increase in the value of property that is going to the tax incentives that the pool of money pays for Samsung and apple. And there is \$59,000 that is based cost drivers so that is insurance and wage increases. So really we can't move that money.

>> Tovo: Mr. Johns, I'm not sure I understand what you mean by the response that's in our packet. What packet are we talking about?

>> Our economic development, our performance based incentives.

>> Tovo: No, no. Mr. Johns you said that you you correctly that you had formulated some kind of written response to this proposal?

>> Yes, that's correct.

>> Tovo: Where is that.

>> Council budget question number 187.

>> Tovo: Thank you. I didn't understand what the packet was. Okay. I just didn't understand what your information meant, though. I'm happy to hear your response to it, but I wanted to understand what your information was. You were talking about half of the amount is a grant from Pakistan.

>> From the U.S. State department.

>> Tovo: Got it, U.S. State department. Is that half of the budgeted dollars of 15 million or is it half of the 853,000 that we're talking about reallocating.

>> It's \$500,000, so it's 500,000 of the 800.

[3:45:58 PM]

Have you been able to find the --

>> Kitchen: It's actually 500,000 of your total budget. What I hear you saying is that your increase -- you think of it as out of your increase, and I certainly understand that, but it is 500,000 that's going towards global business recruitment and expansion. So it can be considered as part of your existing bucket and it's additional dollars that we don't have to spend, we're getting it from the grant. So it can be spent -- I mean, we can make this shift and we're not shifting the grant money, we're shifting 853,000 out of this - you know, this bucket to the other bucket. So it doesn't have to be earmarked as the 500,000 that's being shifted, we're shifting it out of the total budgets. And the total budget as I understand it for -- is 1.1 million or more actually.

>> So you would essentially be taking -- we can't move those dollars. We can't move the 500,000. We can't move the -- what's been calculated as the tax assessor increases that would go to the incentives and we can't move the base cost drivers. So that takes the 800,000-dollar increase that you've suggested off the table. We can't really just -- we can't make up for those. Those have to remain there. So if we take anything else out of that division -- and that division, all its work has to do with local businesses. So if you take that out then you would be cutting staff. If you just took that amount out of that division, you can't take those dollars, so you really have to reduce staff.

>> Kitchen: Okay. I'm not tracking that.

[3:48:00 PM]

So what you're saying -- let me back up for a minute. Let's just run through this. So the global business and recruitment expansion division, tell me the total budget for that so I make sure I'm understanding.

>> Let me get the manager to speak about that.

>> Sylnovia holt-rabb. This consists of three components, the operational cost for staff, the economic incentive reserve fund which pays the chapter 380. Then we have a grant. The grant we are anticipating it coming from the U.S. Embassy and it could only be used for atx pack. So if you're looking to move \$800,000 it would come from the operation, which is people.

>> I'm sorry -- I'm sorry, that's not my intention at all. And that was not my understanding. My understanding is that the budget is 15 million for the global business recruitment and expansion program.

>> Exactly. It consists of three funds. The economic incentive reserve fund, which is the largest, 14,203,000, which are payments for our chapter 380. We combine all of the services that we provide through that division so it's a roll-up of three different sources of funds. So you have the operating fund, the economic incentive reserve fund and then the grant.

>> Kitchen: Okay. So all I'm suggesting is that there's a shift of additional dollars into the small business program out of 15 million, the 15.7. And that's what you're saying is that there's not sufficient dollars in the 15.7 to make that shift.

[3:50:02 PM]

>> Exactly. Because the 14 is restricted for the economic incentive, the chapter 380 payments.

>> Kitchen: 14 of the 15.

>> 14 of the 15. Then a half million is for the grant that we believe is coming and it could only be used for the grant program. And then there's the operational cost which is about 1,067,000. And that is about six ftes. So the personnel cost alone is about 800,000. There's 300,000 in commodities and contractual obligations.

>> Kitchen: While I'm looking through this I think there are some folks with some other questions.

>> Pool: Mayor? I'm looking at the budget page 657, volume 1 for the economic incentives reserve fund. And tell me if I'm reading this right. You had a 14-million-dollar ending balance that's a proposed starting balance for fiscal '18, is that right? Is that the 14 million that you're talking about?

>> So on volume 1, page 657 in the proposed we have a transfer in of taxes related to the current agreements. The expenditures would be what we paid out based on the collection. So it's a one-year lag. So the fund balance that you're seeing would be the balance of the property taxes received to make future payments.

>> Pool: So you have two amounts calculated with the incentives reserve fund. You have the monies that flow out this year and then the monies that are encumbered for next fiscal year. So the balance in the encumbrance account is obligated.

>> Pool: It's obligated if we obligate it in the budget.

[3:52:03 PM]

>> I stand corrected.

>> Pool: So looking at these reserves, I think that's why this 15 million that's in the fund that councilmember kitchen is looking to put less than a million dollars toward local small business activity rather than just holding it for next year for an allocation, we would rather see it actually be put to work

this year, and I think that that is -- she may want to jump in here, but I think that's where the additional monies appear to be available.

>> If I could just add in that it was a -- those three line items, obviously the grant is for a specific use so that couldn't be reallocated. The economic incentives reserve fund you could reallocate some of that money, but we would need direction for council that you want to change some of these 380 agreements. It's changeable. That amount we have budgeted for fiscal year '18 is based on the existing agreements and the existing -- or the projected valuations, et cetera. So that \$14.2 million would change if council should direct us that you wanted to alter those agreements that you have with those different 380 companies. Then the other one, the 1,067,000, that economic development fund, that's the small piece of this budget that's funded through that allocation that I've often talked about, but at least for this activity that 1,000,067 is being funded partially by the general fund, partially by Austin energy and that's the piece that funds their AIDS staff. So I think if there's any cuts to that 1,067,000, it almost fully funds staff. The grants can't be cut. The only thing in the budget that you could really cut is the economic reserves fund but only if you took action that you wanted to change one of those agreements.

>> Pool: Then just to be specific, there's two elements to the economic incentive reserve fund.

[3:54:07 PM]

One is the one that pays out for agreements that have already been confirmed and completed. And we pay them out of fiscal '18 budget that we're doing now. And then there's money that we put in -- literally put in reserve for an additional year in advance of and assuming that all of the 380 agreements are complied with and confirmed and those are paid out next year. And that also goes to -- is it the state constitution that says that we can't promise payments -- government can't promise payments in a future fiscal year by a sitting -- I'm not saying it well at all, but that's how we operate within that restriction within the state constitution, is that right?

>> Yes, that's correct. That fund is used to make sure we're in compliance with our state institutional obligations.

>> Pool: At this point there really isn't anything encumbering these numbers. These numbers are estimates based on past performance and past taxes received, but the actual obligation of the city has not yet been broken into because these are simply encumbered and they would not be expended for another year.

>> I think I need to walk that back actually because I think I made one big mistake is that the 14.2 million, because of the lag that you correctly pointed out, the \$14.2 million that we're budgeting this year, and that gets reflected both in the fund summary you're talking of and off the activity sheet. That 14.2 million is to pay for the performance that actually happened in fiscal year '17. So in fy18 we're going to pay for the performance that was achieved in fy17. And then the ending balance that you see

on the fund summary of 10,000,545, that's what's being held in reserve in participation that we'll pay it out in fiscal year 19.

>> Pool: Yes, that's my understanding as well.

[3:56:11 PM]

>> Flannigan: So when I look at the incentive reserves fund, page 657, it looks like that fund balance has been decreasing over time. I see ending balance at the bottom. Am I reading that right, 19 million, 17 million, 13 million, proposed to just be 10 million. So that fund is dwindling.

>> And again, the reserve funds in reserve for what we anticipate we'll have to pay for the next year and the big reason it's changed is because the Samsung 380 agreement changed from 100% to 75%. That's why you see that one big drop.

>> Flannigan: Good. And remind me again, I apologize for you having to say it multiple times, but of the total global business recruitment and expansion piece, the vast majority of it is accounting for this economic reserves fund redeplenishment payout and the accounting management for that, yes.

>> Exactly, 14.2 million is for economic incentive reserve fund.

>> Flannigan: 14.2. And then 500 of that is coming from a grant, plus 500, right?

>> Yes.

>> Flannigan: And then plus what you do today. The same number of ftes plus the cost drivers that we have already approved in benefits and pay and all that other stuff. There hasn't been a substantive change to your department. We haven't added any ftes. We haven't added any benefits, haven't added any programs to this portion. I would love to see more funding for small business, but if we're going to take funds away from this function I would like to understand the impact to that function's operations. And I don't think 853 is reasonable unless we were just going to stop the department.

>> Mayor Adler: Mayor pro tem?

>> Tovo: Mayor, I appreciate the going through of this. I really like the concept of shifting our focus to local business and hope that we can accomplish that. It doesn't appear that this is probably something we can do today, but I would like to add this to the list of areas where we will direct more staff analysis with regard to some of the programs that are within economic development that I believe could be eligible for hotel-motel tax funding.

[3:58:29 PM]

At least some of the work of the global business recruitment is focused on attracting our firms, international businesses to Austin, and I believe fits the requirements. And I know that our staff would make -- I think it's appropriate to ask just for an analysis of that to see if that fits the state requirements and eligibility, including our sister cities program.

>> Kitchen: So mayor pro tem, I think that's an appropriate approach. So if you would like to make a motion to that effect, I think that would be appropriate.

>> Tovo: So moved. I will add that to the budget direction that I think will be coming later for the hotel-motel exploration analysis.

>> Kitchen: So I think what we did, mayor --

>> Mayor Adler: We're just going to hold on that one and give that direction.

>> [Inaudible].

>> Kitchen: Got it.

>> Mayor Adler: Let's talk for just a second about the directions and the budget riders and the like. We have to pass the budget today. We don't have to pass all of the directions. We could put some in if their ready, for there were the opportunity to actually be able to read them and work with them, we can certainly take breaks tonight and people can look at and we can edit. But as a general rule my suggestion would be that we get the directions in a week after this or two weeks after this.

>> Kitchen: I'm not comfortable with that. I have two more that are very simple. I apologize this one took longer than I thought. The other two will not. I'm not comfortable. I think we need do it as part of this budget process.

>> Mayor Adler: And if we can, we certainly need to, but I think there might be some directions that people have talked to on various things where they might need a little more time. And if we can -- I think there's some other people that have some that we've talked about doing, so I don't think we close that out, but certainly if there are ones that people feel comfortable doing today we can.

[4:00:36 PM]

But so that people don't feel like they have to get that done today in order to be able to include it as a direction on our budget. Okay. Yes, Ms. Garza?

>> Garza: We were going to vote on the arr thing but you weren't on the dais and we weren't sure of the vote.

>> Mayor Adler: Call for the votes?

>> Garza: Yes, but with further direction to arr, just to fund this however you can, find a creative way that keeps fees low and hopefully doesn't cost our taxpayers more in the long run, however you can figure out a plan to do that. And just generally in the future, it felt like this was a going after all the bells and whistles kind of thing. Yes, I want our employees to have good technology, and I don't know enough to say that this is what this did, but I hope we're also -- we don't have to buy the fancy car all the time. Sometimes we can just get, you know, the Ford or something.

>> Absolutely. We get all Fords from them.

>> Mayor Adler: Fords are a fancy car.

[Laughter].

>> Mayor Adler: So there's been a motion and I think a second to this. The motion is to accept the staff's recommendation that came out in the memo. Let's take a vote. Those in favor, please raise your hand? Those opposed? Houston voting no and Flannigan voting no. The others voting aye. That measure passes. Mayor pro tem.

>> Tovo: Mayor, I have a question for our parks staff. I don't see them out here. Oh, I do see them out there. So I wanted to follow up on a question I'd raised about whether there were parkland dedication fees in the planning -- the parks planning areas that might intersect with some of the parks that are in need of accessibility improvements. So our parks staff have looked and indicated that there are a couple. And I'm looking for the email, but I know Ms. Mcneely will remember which ones they are.

[4:02:37 PM]

It's my understanding that.

>> Kimberly Mcneely, acting parks and recreation director. So based on yesterday's conversation where we were concentrating on playgrounds and A.D.A. Accessibility on playgrounds, I did a cross reference between your 300 page playground assessment with our 2018 parkland dedication plan, spending plan. So there were three parks that intersected. I left them up there. One was spring woods, one was circle C metropolitan park and there was a third one that had playgrounds that required A.D.A. Accessibility surfaces that intersected with parkland dedication. So there's 29 playgrounds that actually require some A.D.A. Accessibility services and all of those playgrounds, with the exception of district 2, there are playgrounds in every district that require A.D.A. Accessibility. And of those 29 playgrounds, three of them intersected with parkland dedication improvements that are planned for 2018.

>> Tovo: Now, as I understand, there may be some differences. So as I read the dedication fees language -- can you share with me what you told me in your email about what those fees can be used for?

>> So parkland dedication can only be used for an expansion of osha major improvement of owe a major improvement of a particular amenity or a particular park. So the idea is this parkland dedication supposed to be providing for the increased population. And you can't just use the money to restore or refurbish an amenity.

[4:04:40 PM]

It would have to be an extension or improvement or amenity to that particular park. While there was a cross; if we were to use some of the parkland dedication money it would have to be in conjunction with a major renovation of that that particular playground space.

>> Tovo: Those are council direction, or do those have the status of laws beyond that since it's a fee that we assessed.

>> It's beyond council distribution. I believe it's in our ordinance. I would have to double-check with you. I mean, I would have to double-check for you, but I believe that it is beyond council direction.

>> Tovo: So we would need to amend our ordinance to be able to spend the funding that we have in our parkland dedication planning areas for those particular parks, is that correct?

>> That would be correct. And I would say that throughout the parks and recreation industry and cities across the country, parkland dedication fees in other places are called impact fees, are used for that particular purpose. The definition we have is similar throughout the country. So we would be going against the grain, per se, to change the definition of how parkland dedication fees are used.

>> Tovo: I want to see best practices across the country and I certainly want to see our parks available for everyone in community. It would seem to me that that does expand -- that does expand the reach of those facilities, but it sounds as if it doesn't completely meet the definition that you're working under with regard to expansion.

>> Right. And also in the email that I sent you there is \$1.2 million of accessibility which was probably where the million dollars originally came from. So there is plenty of work that could be done.

[4:06:40 PM]

So that can be done if it's the will of the council.

>> Mayor Adler: Questions answered? Okay. What other stuff do people want to do. Other things -- I've handed out something that is amendment 2. This is just clerical and I could have done this orally. On the

equipment upgrades there were originally three for that. The ones we were looking for was the movie and the sound system but we put in the wrong numbers so we've handed out to you the sheet to change those numbers. Any objection to those numbers being changed? Then those numbers are changed on the deal. Or items? Yes, Ms. Pool?

>> Kitchen: Are we waiting to take up the hot tax is that what we're doing?

>> Yes.

>> Pool: So I just wanted to confirm we were -- we were going to offer up the item C 27 that comes from me and councilmember alter, and I've sort of mentioned twice now. But before I do that I just wanted to confirm with our budget staff that the \$17,500.01-time expenditure in connecting children with nature in the eastern crescent would be from the pard miscellaneous donations fund. Or if that doesn't work, then an appropriate donation fund that our budget staff with help identify. And this is from a conversation with Mr. Van eenoo to confirm that that would be possible. So that's appear other funds piece and -- so that's an other funds piece and that confirms the other funds on the sheet before.

>> Tovo: I'm going to take over for the mayor for the moment. Do you want to do one -- do you want to do one at a time?

>> Pool: That was just the update piece of information. Remember, that piece was hanging on -- we've already included the \$17,500 on this sheet, but we weren't sure what funding it was all coming from, so I just wanted to clarify that.

[4:08:49 PM]

But the item that I haven't yet gotten us to vote on, but I've brought up twice is item C 27, and this is the creating a pilot tree position with the Arbor cyst educating on the value of trees and the importance of education. And the second piece is from councilmember alter and she is creating the opportunity to use existing department funds to support two additional programs, tree folks and the Austin tree corps high school level youth job corps. And I can kick it over to councilmember alter if she would like to continue with her piece.

>> Alter: Sure. These are not all under C 27. I think there's another letter, but I don't have them. Tree folks and the Austin tree corps high school level youth John corps, environmental intensive for the hottest of the summer months while providing environmental, financial and career training to high schoolers meant to ease the transition into their college years. And I believe that one is 50,000. The second part is the urban forest remove and replace program. This would be a tree removal service for low income homeowners that would provide removal of high risk trees by certified arborists at low rates negotiated by tree folks, paired with replanting of healthy young trees and education on care. So the first one is -- you know is an environmental education, workforce training opportunity for our youth that

also benefits our trees and potentially our parks. The urban forest remove and replace helps low income homeowners get their trees removed in advance of them falling on their roofs and making it even harder for them to be in their home. Tree folks has an ability to access arborists at low costs, but there is a cost to get the program going and running.

>> Pool: And the good news is this is an eligible expenditure from the urban forest replenishment fund ending balance and we have a thumb's up okay from the city arborrest and the judge budget folks and it falls into the tree mitigation fund, but it is formerly the urban forest replenishment fund.

[4:11:09 PM]

>> Alter: I think we had talked about that it would be fine with us to leave to the city manager to design whether it was the urban forest replenishment fund or the planting for the future fund, that would be most appropriate for those items. It seems to be eligible for both of them, but I don't know that we have to debate which one of those is the most appropriate fund, but rather suggest it would come from either of those two funds.

>> Mayor Adler: Is staff okay with this?

>> Pool: Yes.

>> Mayor Adler: Yes?

>> Yes, that's fine.

>> Mayor Adler: There's been a motion. Is there a second to that motion? Ms. Alter makes that.

>> Pool: I made it.

>> Mayor Adler: Councilmember alter seconds it. Any discussion? Mayor pro tem?

>> Houston: I saw the city --

>> Tovo: Just one quick one. To be clear, we are voting on the budget rider item C 57, yes? I -- C 27, yes. I do have a suggestion about connecting children with nature. I want to circle back to. I want to make sure it's not part of that motion.

>> Pool: It's the one I just made the fund update informational piece.

>> Tovo: Right. I didn't have an opportunity to make a comment about that so I wanted to do that.

>> Mayor Adler: Okay.

>> Mayor Adler: Further discussion on this item?

>> Houston: I see the staff here. I just -- did you want to say something?

>> Mayor Adler: You're good with this, yes?

>> Michael Andezzi, division manager with the services department. We were asked to be here today to answer questions pertaining to the concept menu and any proposals to pursue partnerships with executing these.

>> Mayor Adler: Thank you. I don't think we have any questions. We just wanted to give you an opportunity to affirmatively say something if you were saying to say human being some.

[4:13:12 PM]

Thank you. It's been moved and seconded. Any further discussion? Let's take a vote. Those in favor please raise your hand? Those opposed? It's unanimous on the dais with Mr. Casar off. Mayor pro tem?

>> Tovo: Mayor, the item we were just talking about brief --

>> Mayor Adler: Troxclair voted no, sorry about that.

>> Tovo: Councilmember Pool, I know you said the existing resources in the park miscellaneous donation fund. Without belaboring this, I would just really suggest unless there's an impediment to doing so that we take it out of the -- I'm sorry. I have to consult my notes again. Planting for the future fund which seems to be an eligible fund and it is more restrict than the miscellaneous fund, but it seems to me that the mission of this program to connect children with nature and to focus on education and understanding and preservation of trees and other natural elements fits within the scope of the planting for the future fund mission, and so I'd like to suggest that we shift it if the staff feel that it's appropriate, I'm happy to leave it open-ended if they don't have a clear answer for us today about that.

>> Pool: I will say that when I -- when I did the informational update I did say or whichever donation fund that the budget office feels is appropriate. I raised that with Mr. Van and just asked our staff to make the appropriate designation.

>> Tovo: I heard you say that about the second one. I didn't hear you say that about this. So thank you. And I just want to clarify because we've been talking about both of these funds all day, the planting for the future fund is, as we talked about earlier, volunteer donations -- voluntary donations that come through the utility bills. It has nothing to do with tree mitigation fees that come in from private development. It is strictly about mitigation fees that are put in there because of public trees.

[4:15:12 PM]

And again, volunteer donations and other contributions. So if anybody watching I wanted to make sure that distinction was clear and that's the fund I'm talking about using to fund this position. So that would be my preference. I'm happy to leave it up to the staff, but I would again strongly suggest that we use the more tailored fund for this tailored use and keep the miscellaneous fund feed up for more general uses.

>> Mayor Adler: Okay. It's possible for us to pass this. There's a motion for us to pass this asking staff to find the more appropriate source of the funds?

>> Pool: Not on this one. And I think we already voted it. The one that the mayor pro tem is talking about is the informational piece on an item that we already talked about and voted in, but there was some question about which fund it was coming from. And the questions have not been answered sufficiently, but I think she and I both agree that staff can designate it to the one that seems the most appropriate. And it's the 17,500-dollar piece that we are spending the time on. It's the connecting children to nature.

>> In addition to the two of you, is there any objection on the council to adding that instruction to what was earlier passed so that staff can find it? Hearing none, that's made part of the motion. Anything else at this point? Yes. Councilmember alter.

>> Alter: Thank you. So I would like to put forward a motion to pass item M 1. I passed out a sheet. This item would fund three new vehicles for pard to be used for senior transportation fans by adding them to the vehicle acquisition fund police of vehicles to be acquired or replaced in this fiscal year. The total cost would be approximately \$165,000 to be funded with certificates of obligation, which is the same funding method for the majority of our vehicle additions and replacements being authorized in this fiscal year. So the council direction would be council directs the city manager to add vehicles to the acquisition fund for a cost not to exceed \$165,000.

[4:17:23 PM]

We have spoken with the director of fleet and with the director of pard and they were both okay with this.

>> Mayor Adler: Is there a second to this?

[Indiscernible] Seconds this. Mr. Flannigan?

>> Flannigan: Does pard already have vans for senior transportation and it's adding more?

>> Alter: As I understand it -- miss Mcneely can speak to it. I understand that they have a program. The vans are not properly equipped and we will be getting new senior vans and reequipping the other vans for youth.

>> Flannigan: Is it replacing existing vans or adding new vans to the existing fleet?

>> Alter: I'll let miss Mcneely explain.

>> So currently the entire fleet is approximately 32 vehicles. Half of those vehicles do not meet the current safety standards because they're from 2001 or 2002. I believe the senior -- a commission on senior services or the senior quality of life have indicated that the vans that we've recently purchased in 2013 did not have the A.D.A. Accessibility that's desired for them and also the roof height is not appropriate. They feel as though they have to get in and maybe scrunch down. So it's not as convenient for them to get on and off the bus. Of course, they are safe for them to travel, so their recommendation is to buy particular vans of a specification that was not originally specified and we could take the three vans that were originally used for senior transportation and they are perfectly okay to be able to transfer -- or transport youth. So we'll be able to reduce the number of fleet that are over 15 years old with this opportunity down from 17 to only having approximately nine fleet over 2001.

[4:19:24 PM]

So while this particular request is specific to seniors, it helps the overall fleet immensely.

>> Flannigan: I think I understand what you're saying. So we're not expanding the fleet, we're shifting some of their duties to make the better, safe E, more A.D.A. Compliant vehicles in this one area, but ultimately it's the same fleet at the end of the day.

>> Ultimately it's the same fleet. It's just allowing us to use it to the highest and best purpose.

>> Flannigan: Separately I'd like to know how we're buying non-a.d.a. Cars, but that's a separate discussion.

>> Tovo: Did you make a motion?

>> Alter: I'm not sure the process here because I was talking through it, but I will be happy to make a formal. I'm happy to move M 1 as described on this sheet to fund three new vehicles for pard.

>> Tovo: Is there a second to this item? Councilmember pool seconds this item. Are there any other questions about this? Okay. Seeing none, all those in favor? Those in favor -- can you hold up your hands? Councilmembers alter, Houston, pool, Flannigan, Casar, tovo -- how are you guys voting? We're voting on the van issue. Mayor Adler in favor. Any opposed? Any abstaining councilmember troxclair abstains. Next item, councilmember kitchen.

>> Kitchen: I've got a quick one. It's a budget direction that I've talked to both Austin energy and atd about. This is -- so it's just budget direction. There's no impact on the budget at all. And this is my item S 4 that I had brought up earlier. It's a budget rider directing installation of lighting around the sh 71 overpass at manchaca road upon completion of a mutual use agreement with txdot. Austin energy and Austin transportation will use existing funds to install and operate appropriate lighting in the area under sh 71 manchaca road overpass overmanchaca road and east to the end of the overpass.

[4:21:32 PM]

So this is something I've worked through with both departments and I really appreciate their efforts. They've really been wonderful to work with on this. So I would move that we pass this.

>> Tovo: Councilmember kitchen moves approval. Councilmember Renteria seconds it.

>> Renteria: I want to make a quick comment because we did the one under 35 and it took us six years, but that was a federal highway. I hope it doesn't take you six years.

>> Kitchen: I'm hoping it doesn't take six years to get this mutual work agreement. We're going to work a little faster than that. Okay.

>> Tovo: Councilmember Flannigan, did you have a question?

>> Flannigan: I do. I'm just curious, is this a budget item? Is it --

>> Kitchen: It's direction to -- it's allocation of funding from existing budget to use it in this way. So it is a budget rider. It's the same thing that we've been doing about reallocating dollars throughout this budget process.

>> Flannigan: Because normally there's a dollar number on it.

>> Kitchen: We weren't sure exactly. I think it's about \$10,000 or something like that. It's a small amount.

>> Flannigan: That helps. Knowing that it's small is --

>> Kitchen: I didn't put an amount because I wasn't exactly sure. I should have put -- that's right, order of magnitude. I don't know. It's not a huge amount.

>> Flannigan: And manager, is there something about this that requires council action beyond the future approving of the mutual use agreement?

>> Kitchen: No, I'm choosing to bring it as a budget rider to memorialize what I'm talking about so I can help people understand it's happening. This is something we've done with budget riders. It doesn't have to be.

>> Tovo: City manager?

>> We began budget riders last year. They're like a budget ifc item from down. It is not a resolution, but it is part of council's direction to the manager in addition to adding dollars to the budget.

[4:23:32 PM]

It's an additional measure for me to do extra work.

>> Flannigan: It was something that was started last year?

>> Yes.

>> Tovo: Councilmember Casar, did you have a question?

>> Casar: No, I wanted to raise my hand after we voted on this?

>> Tovo: Any other questions or comments? All those in favor? That is unanimous on the dais with mayor Adler and councilmember troxclair off the dais. Councilmember Houston.

>> Houston: Thank you. Thank you, mayor pro tem. I call everybody's attention to E 30, which is on the concept menu on page 4, but this has been a request from the Asian call of life commission to increase the funding from the -- the Asian quality of life commission to increase the funding for the chamber by \$60,000 to get them up on par with the other minority chambers. I'm not sure why they were not in the -- brought up to the same amount, but they are about \$60,000 less than the other minority chambers. And I'd like to make that motion.

>> Tovo: Councilmember Houston moves that we add \$60,000 to ongoing funds for this item, councilmember alter, are you seconding that item?

>> Alter: I am and then I have a comment.

>> Tovo: Councilmember alter.

>> Alter: So I just want to -- I'm also in favor of this. I have another motion that covers this as well, so I'm not sure how we want to deal with this. I definitely want this one to be covered. I had a potential funding source, but some of our earlier discussion I'm not sure about, but we had a conversation with economic development and my understanding was we could do what we were proposing, but we were

proposing in E 48 to equalize the fend fund fund summarizing of all of the chambers so this would bring them up to the same level and provide funding for other chambers as well.

[4:25:37 PM]

But I don't want to -- I don't want to jeopardize what Ms. Houston is putting forward. Mine was supposed to come out of the economic incentives reserve fund balance.

>> Tovo: Since councilmember Houston made the motion and it doesn't yet have a funding source, why don't we invite economic development up to talk through your funding source and then we can vote on her amendment and then you can make yours and subtract out that piece if that's all right with you. Does that seem to make sense? Councilmember alter, are you suggesting it's still a viable funding source?

>> Alter: We have had conversations with them and I had understood that it was a viable approach because we were equalizing the chambers and that was a different -- from the fund balance, but I would prefer to have them speak to what we're proposing.

>> Sure. David Culligan, global business expansion. It's my understanding that the economic incentive reserve fund is already accounted for. Our existing agreements, I'm not familiar with conversations we've already had for using those funds, so I would also have to speak with dusty McCormick who oversees our contracts with the chambers and any conversations they've had about smoothing those out.

>> Dusty McCormick, economic development department. There was a question about equalizing them to a certain level and we're all in favor of that we wouldn't direct it in terms of where we thought the money would come from. So I was mainly leaving that up to you all to make that

[4:27:46 PM]

>> Houston: can you tell us what the different chambers receive now.

>> Greater Austin Asian chairman were I'm sorry, let me double-check that. Asian gay and lesbian chambers received 153,750. Austin -- greater Austin chairman received 142,500. Greater Austin black chairman receives 171,000. Hispanic chairman receives 212,500.

>> Houston: Could you read that to me one more time? I think you gave me about three Asian --

>> I know. Okay.

[Laughter]

>> Pool: Could you put that up on the overhead and read it from there? Then we can also read along. Thanks.

>> Okay. This is the response to budget question number 76. The amounts again are the greater Austin hispanic 212,750, black chamber 170,000 even, Asian chamber 142 even, and gay and lesbian 153,750.

[4:29:52 PM]

So these amounts are the amounts that we received -- you know, that we inherited when they came back to us years ago, approximately seven days ago. What I'm proposing is for this year to equal -- it was just inherited that way and then moving forward we could have metrics that were working better for what they're delivering.

>> Last year, as you remember, there was a proposal -- similar proposal in which you all guaranteed them 50 -- -- granted them \$50,000 in one-time funding. That's where we are today.

>> Tovo: Just to be clear councilmember Houston made a motion to add 60 to the greater asian-american chamber of commerce. It's not clear, councilmember alter, whether you're talking about equalizing it with the 350, bringing them all up to 350 or bringing all of those --

>> Alter: To to 212.

>> Tovo: To 212. Thank you for the clarification. Councilmember kitchen.

>> Kitchen: The other thing is where's the Austin independent business alliance, the small business? That's the top one. It's only at 55. Let me just say I support equalizing the chambers, but I want to note that the small business chamber is a lot lower and so is that -- is that part of this also, to equalize the --

>> Alter: So the -- I think we can have a conversation about whether we want to increase funding for small business, and I don't object to that. My motion was really focused on the Mecca chambers, building off of the requests from the quality of life commissions in that regard.

[4:31:53 PM]

And a concern about how this had been historically an inherited number as opposed to something that was based in what the chambers were delivering, per se. And so it seemed appropriate in the absence of those metrics to be pursuing this in a fair way. I think it's important to have a conversation, but -- they

have different challenges with that regard and different approaches. And different costs. So this was -- this was an attempt to address the concern that was initially brought to my attention by the asian-american chamber but then as we looked at it this seemed to be a more appropriate way to do it.

>> Tovo: Actually, councilmember kitchen and then councilmember Flannigan.

>> Kitchen: I do support your item, but I -- for me to vote for that and move forward with it I need some mechanism to also address, doesn't have to be in this particular item but we have continually said for years and years the small business association which is a chamber and does the same kind of work these other chambers to just equalize everyone else and not acknowledge or not have a path. I guess that might be the better path. I know you're not acknowledging. I'm sorry. I didn't mean that. To not have a path towards addressing what's fair and equal across all these. So perhaps we can understand how you're going to equalize these and then talk about what our path might be to get small business up.

>> If I may, it may be helpful to speak about some of the services that are offered through these different contracts.

[4:33:53 PM]

The reason why you see a major gap with the hispanic chamber of commerce funding is because we also have within their contract they're providing an incubator support. That is one element of the contracts that is not available in some of our additional contracts. That being said, these contracts, we will be reviewing in fy19 and that will be a good time to be able to look at the deliverables and look at how it is we set those contracts. Up so that they are delivering similar types of things within their agreements. Also, they are very focused on our small business outreach as well as assisting us with our global efforts but those global efforts do have to do with expanding our local businesses and helping them to be able to connect with different markets abroad. If you're familiar with the event we recently hosted with the Asian chamber we are able to work with the Mexican -- I'm sorry, the hispanic chamber to be able to focus on a trip into Mexico to expand more of our exports. That was a business delegation as well, all focused on our small business base here. So we will have the opportunity to look at those goals in the coming year. We do work collectively with the chambers of commerce on a very regular basis so I think they would be excited to have those conversations as well and I would think matching the funding appropriate to those contracts we will have the opportunity to do so very shortly.

>> Tovo: Thank you. I'm sorry, councilmember Flannigan was next in line. I see a lot of other questions.

>> Flannigan: Thank you, mayor pro tem.

>> Tovo: Hope fully we can move through them quickly.

>> Flannigan: As my colleagues now I used to run the gay and lesbian chamber of commerce it was a labor of love for me many years. It was a volunteer at the time. The first go around it had no city funding and then slowly kind of eked up little by little, thanks a lot to the work of one of my distant predecessors and on whose shoulders I stand, Randy shade.

[4:36:03 PM]

I think for today, unless we are considering cuts to the funding of these chambers we have to look at the list we're dealing with in this budget. And I don't see how addressing chamber funding is going to size up to the other items on this list. There are a lot of complexity in why this money is allocated, and each of the chambers does a different level of work and partly because they serve different challenges in different communities. It is a complicated conversation that is worth having. I just don't think today is the day to do it. And certainly any level of equalizing or increase is going to have to come with a cut somewhere else on this list and I just don't see us today prioritizing this right now over the other items in our budget menu, and I'm -- I would hope that any councilmembers that are wanting to explore the Mecca chamber funding system please include me in those conversations since I by far have had the most experience in its creation, in its evolution and in its current existence.

>> Renteria: Mayor.

>> Mayor Adler: Yes.

>> Renteria: I also agree with my colleague Flannigan that, you know, I think we really need to sit down and take a look and wait until we have the report, when the contracts come back so we can have a thorough discussion on what needs to be done. I think just by rushing and just throwing money right now to one group and not the other one, it's -- and trying to equalize everything, it's not the right way of doing it so I'm not going to be able to support that.

>> Pool: I was curious in the cut to the asian-american chamber, it looks like the difference between last year and this year, they're \$50,000 down from what they were last year. Am I reading that right? Could you --

[4:38:03 PM]

>> No. Their regular contract --

>> Pool: Can you put that sheet back up?

>> Yes.

>> Pool: Sorry. So it's 142,500, but last year -- this current year 192,500, can you explain the \$50,000 difference?

>> Again the \$50,000 that y'all provided for them last year, one-time funding, last year is what that amount would be.

>> Pool: That also represents \$140,000 cut from fiscal '16 but it has a star and I can't tell what the footnote might be to that asterisk. It was 289,320 in fiscal '16. Can you shift the page up, please? Let's see if there's an asterisk down at the bottom. There we go. Whoa. So those are some fairly significant -- for that one particular line, 142,500, 205,500, 192,005, it takes the greater asian-american chamber of commerce this year back to where it was in fiscal '13 and '14, which is even less dollars really considering that money, you know, loses value over time. So I very much support the additional 50,000 to 60,000 at least that councilmember Houston is offering. Don't know necessarily if we have an actual place where that money will come from other than the economic incentive reserve fund, which I think this would be an appropriate use of 50 to \$60,000 of that money for this year.

[4:40:04 PM]

So I would be very supportive, councilmember Houston, of your initial motion and then for councilmember alter, I'd be interested in having the additional conversation about funding for the chambers into the future. I made a run at equalizing and increasing all of the chamber funding back in fiscal '15, and so it's a latent kind of an issue that there's support for, but -- so maybe this year we'll actually have the time to spend with it, but I'd enjoy working on that. But for now, I would definitely like to raise the greater asian-american chamber of commerce back up to at least what they had funding last year, the current fiscal year.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I just want to ask our financial staff where we are in terms of the -- are we with the base budget? With the motion that's on the floor and the amendments, where are we in terms of our available funding?

>> I'm sorry. With the motion that's on the floor for the 60,000?

>> Tovo: With everything that we voted onto this point.

>> So with that then we are 31,500 in the black for ongoing funds, 52,585 in the red for one-time funds.

>> Tovo: I'm sorry you would say that again.

>> 31,500 to the good or in the black for the ongoing sources of funds, 52,585 in the red, negative, for our one-time funds.

>> Tovo: Okay. Thanks. And, you know, when we were talking about using economic development funding for workforce development, that was allocated out to various departments that contribute to economic development. Is that an opportunity we could use for this funding item, for the motion that's on the floor, to allocate it back out to the enterprise funds that contribute to economic development?

>> That would be appropriate.

>> Tovo: So I'm not sure that there's -- that you have the number off the top of your head of what that would take from the general fund.

[4:42:09 PM]

For the motion for \$60,000 that's on the floor.

>> Not off the top of my head. We can get you close enough here pretty quickly.

>> Tovo: Great, thanks. I'd certainly like to support this but I'm concerned about at this late hour where we would identify available funds but if that's an option, then that might provide us enough.

>> Mayor Adler: Councilmember kitchen and then councilmember --

>> Kitchen: I had thought what we were talking about and maybe I misunderstood what councilmember alter was saying, I thought we were talking about using the economic incentive reserve fund for these dollars. I thought that was the motion on the table.

>> Alter: That was -- councilmember Houston had a motion for 60,000.

>> Kitchen: Okay.

>> Alter: Which is the motion that's on the table.

>> Kitchen: Right.

>> Alter: Which did not have a source of fund, presumably from general fund.

>> Kitchen: Yeah.

>> Alter: I brought up my motion because they were interrelated and it was a piece of mine and I support councilmember Houston's motion but I had a broader thing and I thought it appropriate to discuss at the same time. Mine was directed from the economic incentives reserve fund and I would think that if we can get two-thirds of it from other funds we could take 20,000 out of the economic incentive reserve fund balance and move forward with the 60,000.

>> Kitchen: That's really my question.

>> Houston: But I thought that I heard the staff person say that that wasn't available. Did you say that, sir?

>> Alter: It's for 380 agreements but if you're talking about 20,000 versus 800,000 that's a different --

>> Mayor Adler: Hold on. So the question is can you -- one, you're going to have to take a look at how that would be apportioned. Second -- the question is can it come out of economic reserve -- the economic incentive reserve?

>> Kitchen: Yeah.

[4:44:09 PM]

>> The economic incentive reserve fund, 100% of its funding is a transfer from the general fund that we set aside based upon the property tax payments that come from certain businesses that have a chapter 38ed agreement so that money just comes into the general fund, we transfer it to the economic incentive reserve fund where it sits until those payments come due. So to some degree taking it out of there is reducing the amount of money needed to pay those agreements and would just have to be made up in the future and that makeup is just coming from the general fund. It's just a flow of funds from the general fund to this reserve fund.

>> Alter: I was talking about the balance just to be clear.

>> Mayor Adler: But I think he's saying is that the balance is committed to the payment that the reserve is going to make.

>> Yeah. It's a reserve fund. That's what it's called, economic incentive reserve,, fund and we are reserving funds we've collected in anticipation of what we'll pay into the future. There's always a one-year lag.

>> Mayor Adler: The amount you set in that reserve fund is what you anticipate to pay.

>> Absolutely right.

>> Mayor Adler: That money is what you anticipate to pay.

>> Houston: May I ask a question about transfers that we get in from water -- resource recovery and Austin water and Austin utility that helps fund some of this money? Could some of that be used?

>> Mayor Adler: I think his answer to that was yes and he was going to calculate that for us.

>> So --

>> Mayor Adler: Do you need time to calculate that?

>> No no, no. We have to increase the font size for me. So the \$60,000, I can give you both numbers, but the \$60,000 follow our current allocation model would come out to be 19,744 general fund and 40,256 for the other three enterprise funds that get a share of the economic development allocation.

[4:46:10 PM]

>> Mayor Adler: Okay. And is that the motion in front offer us, the \$60,000 motion? Any further discussion? We ready to take a vote on that?

>> Garza: Yes. I think we've all received a lot of communication from members of the asian-american quality of life and it has been mostly about health navigate and so I'm wondering we're making really tough decisions on a lot of things and is this -- I need to understand the funding source is and if we can find the money for the health navigators I have received the majority of communications about. Where's the -- my assumption would be it's the health navigators that's why I can't support this one now because I'm -- I feel there's more concern for that one and I'm trying to find money for them.

>> Houston: So the chair for the asian-american quality of life is here and if he would like to come up to speak to that because we're having to make some hard choices.

>> Mayor Adler: Let's hold off one second. If we could take a break and go back into executive session, I think we can answer the outstanding question that we had in front of us that may have relevance to the balance of this conversation. So city council will now go into closed session to take up one item, discuss legal matters related to the budget adoption ordinance. No objection. We're now going to go back into executive session. This won't be long. I think we'll be right out.

[Executive session]

[4:58:52 PM]

>>> >>> >>> >>>

>>> Sent 13th, 2017. September 13th 2017. >>> >>>

[5:01:17 PM]

[Executive session]

[5:23:25 PM]

>> So allocation for the \$60,000 between the general fund versus other funds was 19,744 general fund, 40,000 taf for other funds.

>> Mayor Adler: Okay. By the way, we're out of executive session. And in close session we discussed legal matters related to item number 1. And it is 5:23. The motion is to take the -- that additional 19,700 out of the general fund. Any further discussion?

>> Alter: And the other fees.

>> Houston: And the other from the other.

>> Mayor Adler: What? I'm sorry?

>> Houston: And the --

>> Mayor Adler: And corresponding money. It's about moved and seconded. Any further discussion? Let's take a vote.

>> Flannigan: The money is coming from where again? This is the 60,001.

>> Mayor Adler: 19744 --

>> Flannigan: Coming out of economic development so I misheard.

>> Mayor Adler: 19,744 comes out of general fund. The others come out with the economic development water fall that we had. Okay. Take a vote. Those in favor of this item at this point please raise your hand. Those opposed. Troxclair, Casar, Flannigan, me, others voting aye, passes 7-4. Ms. Troxclair, do you want to make a motion.

>> Alter: I have a follow-up from the other piece of this. I wanted to provide budget direction to find a pathway to more equally provide the fundings and provide -- and build a system of metrics for allocate any additional funding.

>> Mayor Adler: By equally -- by equally we mean equitably.

>> Flannigan: Equitably, sorry, yes, it's late.

>> Mayor Adler: As opposed to trying to equal amounts.

>> Alter: Equitily based on metrics,.

[5:25:26 PM]

>> Mayor Adler: Equitily using metrics. Anybody have an objection.

>> Kitchen: I have a friendly -- it's actually a question. Can we include the small business aiba in that analysis?

>> Alter: Sure. I'm not sure it would be the same analysis. Equitable using metrics.

>> Kitchen: I'm sorry, using metrics.

>> Mayor Adler: There was no objection to that so we agreed to add that direction as part of this. Councilmember troxclair, do you want to make a motion relative to spring festival?

>> Troxclair: It's finally happening?

>> Mayor Adler: Yes.

>> Troxclair: This is the moment?

>> Mayor Adler: This is the moment.

>> Troxclair: Yes. I would like to make a motion to have visit Austin pay \$1.2 million out of its lawfully available funds to cover security during the spring festival season.

>> Mayor Adler: Okay. Is there a second to that motion? Seconded by Ms. Pool. There's some corresponding things. I'd like to amend to make sure that it contains also as well, that would be budget amendments. So the 8.6 million that was in our budget would be dropped now to 7.4 associated with this. Any objection to that amendment being added? Yes.

>> Kitchen: How did you say that?

>> Mayor Adler: We're allocating in essence 1.2 to this, leaves a 7.4 allocation that need to be reflected on the budget. Any objection to that? That's now added. Discussion? Do you want to address it first? You have the chance -- troxclair, you have a chance to do it first? Do you want to?

[5:27:27 PM]

Ms. Pool.

>> Pool: I wanted to say I want to make a motion with direction to the city manager along the lines of finding additional hot tax to fully fund the historical bucket that we're talking about so that will still be

100%, before I was talking about a fixed amount of money, but I will -- when I make my motion I'll say it will be 100% of the 15%.

>> Mayor Adler: Understand. Any further discussion?

>> Tovo: Mayor, I have an additional amendment. So we are, you know, embarking on some very exciting works that going to go on in this city with regard to historic preservation. Of course a lot of that work is already ongoing, but with really increasing available funds that are that are lawfully used in this way I think we're going to see some very significant changes. I know there's real interest in changing the way our heritage grants program functions, and I'm very supportive of that and as I indicated I'm really looking forward to bringing forward a resolution that directs some of those changes moving forward. However, knowing historically those grants have been offered on a two time per year cycle I would like to see those continuing at least into the next cycle for this next year, at least the next year. I'm open to either one, and so I guess I need some guidances from my colleagues whether we want to allocate enough funding for the heritage grants -- for the heritage grants as they have typically been for one cycle or for two cycles. Okay. I'm getting some ones, so I'm happy to do that. I would allocate -- I'm going to amend our allocation so that it -- 250,000 is allocated to the acb for the first cycle of heritage grants to be administered in the same way they typically have been, understanding that we are going to work together with our historic preservation community and with the recommendations from the visitor impact task force and with our considerable staff expertise to come up with how we want to move forward both with the small grants as well as what I hope will be some larger, more significantly sized grants to outside organizations for historic preservation using our hotel-motel tax as appropriate if they are eligible expenses under the state statute.

[5:30:01 PM]

>> Mayor Adler: Do I understand as part of that then the ripple effect on the allocation is that number would -- now would be 7.15? Okay.

>> Tovo: Correct.

>> Mayor Adler: Any objection to that amendment being added? Okay. Yes, councilmember troxclair?

>> Troxclair: So if we're going beyond just the south by -- or the spring festival amendment I'll also include the budget rider that I passed out earlier that directs the city manager to utilize -- this says \$2 million in revenue from historic preservation hotel pianist tax allowable operations, goes on to list some of the projects we talked about earlier, at no time during fy17-18 should the -- drop below its approved level and finishing by saying the remaining funding in the historic preservation hot fund shall expend funds on allowable historical preservation projects that are capital expenses. I know that you had some language you wanted to add to that.

>> Mayor Adler: My understanding is you are accepting as a friendly amendment some changes to the very first sentence so it would read directs the city manager to utilize as much of the revenue from historic preservation hotel pianist tax fund with a goal of at least \$2 million for allowable operations.

>> Troxclair: I accept that as a friendly amendment.

>> Mayor Adler: Any objection? Hearing none that amendment is added. We're now to this --

>> Troxclair: Oh, yes, we handed out copies earlier, but it was quite a bit earlier, so might have gotten lost. And I do want to --

>> Alter: I found it, sorry.

>> Troxclair: Thank you for reminding me to say that I did work with councilmember alter, kitchen, pool, and maybe tovo.

[5:32:07 PM]

I'm not sure if your office was involved in this one or not, but everybody worked on this amendment, and so I really appreciate everybody's support and help on parsing a very difficult issue and getting to what I think is going to be a really valuable conclusion.

>> Mayor Adler: Okay. We'll now vote on the --

>> Kitchen: Wait.

>> Mayor Adler: I'm sorry, yes.

>> Kitchen: I have a clarification of this amendment. It will keep me from having to bring a separate amendment. So this amendment mentions in it zilker botanical gardens and it also -- so just as a point of clarification, what we're wanting to look at with regard to zilker botanical gardens includes their master planning. So if it's acceptable to the maker, if we could say zilker botanical gardens and in parentheses including their master planning.

>> Mayor Adler: Any objection to that change? Hearing none [indiscernible]

[Off mic]

>> Tovo: Mayor, councilmember troxclair, I appreciate that you have not indicated in your language that it would just be the parks and recreation department who is performing this work as we've discussed a couple times, some of the programs that I believe are eligible for hotel-motel tax funding are within economic development. They may also be within public works. I hope, city manager, this will be an interdepartmental focus on identifying those eligible expenses. And I would just ask with your

indulgence if we could add a few of those sites to the language -- cites to the language. Red river cultural district, the historic Rainey district, and historic east sixth street.

[5:34:11 PM]

Are you comfortable with that addition?

>> Troxclair: I am. And that is also why the language specifically says included -- including but not limited to because I wanted to give staff some idea of the projects that we think are well within the -- our ability to qualify for hotel occupancy tax uses.

>> Tovo: Thank you. I may need to firm up the names a little bit as I'm really exhausted and may not be getting the order of them right it the reason I think it's important, last year, I apologize for repeating myself, but last year our direction did include the red river cultural district and I'm not sure, I think the focus became our historic sites within the parks department so I want to name them specifically because I don't want to lose track of those historic districts that I believe would also be eligible for hotel-motel tax funding so thank you for adding those.

>> Mayor Adler: Any objection to those being added? Hearing none they're added. Ms. Troxclair.

>> Troxclair: I want to say I think this is a big moment and important policy change council is pursuing and it wasn't something that has come easily so I really appreciate not only my colleagues on the dais for their patience and perseverance with this issue but also the city staff, accv and convention center staff who have all been very diligent in trying to provide us answers to very complicated questions and very understanding in helping us to solve what I think is an important policy issue for the people who live in Austin.

>> Mayor Adler: Okay. This item is amended. Any further discussion? Ready to take a vote? Those in favor please raise your hands. Those opposed. It's unanimous on the dais.

[Applause]

>> Mayor Adler: Good job. Mr. Casar.

>> Casar:

>> Kitchen: I think we had one more hot tax rider.

[5:36:14 PM]

Councilmember pool had indicated she was going to bring.

>> Pool: Do you want me to do it now?

>> Mayor Adler: Okay.

>> Pool: Okay. So this motion goes back to our discussion before we took our lunch break, and it goes to the city manager to examine finding sufficient funds out of reserves to accomplish 100% funding of the historic or historical and preservation -- I never get the name that have bucket correct -- out of reserves and to report back to us at our budget amendment activity, which I think will happen probably after the turn of the new year, in 2018. So, again, to examine -- to find out of reserves sufficient funding to get to 100% of the 15% for this historic preservation bucket for hot tax and report to us at budget amendment time.

>> Mayor Adler: So it's directing the manager to look at that and see if there is money that could be found there.

>> Pool: Yes.

>> Mayor Adler: Is there a second to that? Ms. Alter seconds that.

>> Alter: I want to second but I think the direction is to find the money. It doesn't have to come from reserves. Where it comes from is part of what we're charging.

>> Mayor Adler: Right.

>> Pool: That is --

>> Alter: Including the reserves.

>> Pool: That's good. I'm sorry, I've had reserves on my mind so much today.

>> Alter: I wanted to make sure there was no confusion.

>> Mayor Adler: The direction is to direct the manager to find ways to get to the 15%.

>> Alter: And I second it.

>> Mayor Adler: It's been moved and seconded.

>> Kitchen: The other clarification is as soon as possible but by the budget amendment, which is not next year. I don't want to signal to the public that we're talking about 2018 before we were planning on having this conversation.

>> Mayor Adler: I think manager will bring it back just as soon as you can. We may have a budget amendment that comes in earlier than that.

[5:38:16 PM]

>> Kitchen: That's right.

>> Mayor Adler: So it's as soon as you can.

>> Kitchen: Right.

>> Mayor Adler: Hopefully -- and then we'll be able to handle a budget amendment with that whenever it comes. But come back to us as soon as you can with that evaluation and that plan. Okay? Any objection to adding that? Or it's been moved and seconded. Those in favor please raise your hand. Those opposed. It's everybody. Okay. Mr. Casar.

>> Casar: Can I try to make my motion? I wanted to know generally how much money there is freed up right before doing so, but I'm happy to make the motion off the cuff without the answer to that question.

>> Mayor Adler: It's a million two plus whatever that number was that we had before. Less the 19.

>> Well, the 19 changed with the action you took on the Asian chamber of commerce so with the 1.2 we're at \$1,211,056.

>> Casar: Okay. I'm going to make an amendment and if I get a second I'll explain it.

>> Mayor Adler: Okay.

>> Casar: So I would like to allocate 580,000 of that 1.2 to address replenishing many of the community needs that were cut in the base motion today and to address one need that many people have brought up today on the dais. So the first 150,000 of that 580,000 would be -- sorry, excuse me, 155,000 of that 580 would go to the asian-american health navigators program for disadvantaged and limited English proficiency folks. Several people have brought that up today as a key issue so that's the one new thing not on our sheet. 140,000 would go to parent support specialists that -- that would close half of the gap that was created by the base motion this morning.

[5:40:26 PM]

50,000 to the senior exemption, which would restore the senior exemption to where it was after a vote yesterday. 50,000 to Ada accessible sidewalks since we have -- we were not able to find other funding for that -- excuse me, Ada accessible playgrounds since we were not able to find that earlier today. 50,000 to the affordable care act enrollment since we brought that down by 100,000 by the base motion this morning. That brings that halfway back. 50,000 to wages and benefits for our temporary employees.

We brought that down by 110 so this almost brings half of that back. 25,000 to workforce development because my amendments yesterday brought that down by about half and so that brings back a little bit of that, 25,000 of course multiplies into the other -- 25,000 in general fund I know multiplies out into the other funds to create some leveraging there. 25,000 --

>> Mayor Adler: What he's saying is you would gross up that number from 25 from general fund.

>> Casar: 25,000 to the small grants programs for quality of life so that was at 55 so that would get 25 more to bring it up to 80. 15,000 to immigrant legal services, which I have a budget rider for to make sure that gets to all communities, speaking all languages, and 10,000 for the burnet/mendez program that councilmember Garza voluntarily brought down a couple times. That brings us to \$580,000 and, again, this is not my ideal list of my ideal programs. It is -- and I think that I would -- myself make motions and support motions to increase these numbers more, but it is just the first attempt to get to repairing some of the -- my base motion that I made this motion and to address what I know everybody has been talking about, which is keeping that Asian -- disadvantaged asian-american health navigators program going.

[5:42:38 PM]

I think there's reasons to try to get that program up more but I'm not making a motion to do that because there would still be almost \$700,000 left for the council with this motion -- if this amendment goes in to get the senior exemption up more, health navigators program up more, whatever else you want up more, this is just trying to cover some of our bases.

>> Mayor Adler: Is there a second to the motion to this 525? Mayor pro tem seconds it.

>> Casar: 580.

>> Mayor Adler: I'm sorry?

>> Casar: 580.

>> Mayor Adler: 580? Any discussion on this 580 allocation? Councilmember troxclair?

>> Troxclair: I was gnash the impression you were going to give me the opportunity to make a motion immediately following the spring festival vote to allocate that \$1.2 million to tax relief and so I don't know when is appropriate time to have that conversation? It seems like we should have that vote before we decide on whether or not we -- before we decide on how we smite spend that --

>> Mayor Adler: At this point I think you'd need to vote no on this and then bring the motion for the 1.2. Motion on the floor right now is to allocate the 580.

>> Troxclair: Okay. Can I make a substitute motion?

>> Mayor Adler: No. You can amend his five -- the problem with letting something happen like that that's out of space on this is that everybody could amend anybody else's motion for something new so I'm going to say no to that. You can amend the 580 call that he has but what you're doing is entirely inconsistent with what he has in a way that I don't think is germane to that. I think the proper thing to do is to get a no vote on this and then to ask for the vote.

>> Troxclair: But

>> Troxclair: If this passes I won't have the opportunity to do that.

[5:44:40 PM]

>> Mayor Adler: That's correct, but you've made that known now and if people on the dais want to be able to vote on the 1.2 then they would join you now in voting no. Okay? Is there further discussion on the 580,000? Yes, Mr. Flannigan.

>> Flannigan: To be clear, these are one-time funds, not ongoing funds, is that right?

>> In, this 1.2 would be an ongoing -- no, this 1.2 would be an ongoing source of funding.

>> Mayor Adler: It's a one-time fund because this is a one-year thing.

>> I wasn't in executive session so you didn't clarify that for me.

>> Mayor Adler: It's good that Mr. Flannigan brought that up because it wasn't clarified. This was one year coverage.

>> So the numbers I gave to councilmember Casar about the 1,112,000 was an incorrect amount of money. We can update that. It would be 11,000 and a little bit to the good on your ongoing funds and somewhere just short of 1.2 dollars to the good on your one-time funds from what I'm now hearing.

>> Flannigan: If I could go on.

>> This is a one-time payment for -- just one-time for the spring festival security.

>> Mayor Adler: Yes.

>> Flannigan: So I support a lot of this. I'm concerned again of continuing to fund programs. The Asian health navigators is a good example, something we have funded one time, one time, one time, and we're going to do it again. I get the sense that the votes are there for this, but I want to make it clear to the community that even though I'm going to vote no, it's because I think there's a better way to do this. I wanted to see the health navigators moved into ongoing funding. There's a lot of ways to make sausage, but -- I would also have appreciated an opportunity to vote on the tax relief, but -- these are

hard choices that we're having to make, and I don't think the one-time funding is appropriate for programs that we know everyone is going to come back to us next year and we'll have this fight again as opposed to acknowledging that one-time funds should be things that are one-time only or we should be put be one-time funds into our reserves to pay for the things that we know are coming, to pay for the cuts that we know are coming, to pay for the challenges that we know are coming.

[5:47:10 PM]

So I'm going to vote no even though I do support many of the things in this proposal.

>> Mayor Adler: Ms. Troxclair, I misspoke. There's nothing inappropriate at the end of this you making a motion for 1.2 because none of our motions have required us to zero out anything.

>> Troxclair: I would like to make a substitute motion and I am looking at Robert's rules of order and I don't see anything that prohibits me from making a substitute motion in addition to fact that we had a conversation directly before coming out on the dais where you told me that I would get that opportunity to take that vote.

>> Mayor Adler: And you have an opportunity to take that vote. You can do that after that. I've said no because I don't think it's a substitute motion.

>> Troxclair: Can you give me the -- can you explain to me why it's -- I'm not able to make a substitute motion?

>> Mayor Adler: Because I don't think it's germane to the elements that were made. It would be like somebody when we brought up an Asian quality of life issue, the amendments to that have dealt with that.

>> Troxclair: But it is -- it's spending the dollars that my motion --

>> Mayor Adler: But then --

>> Troxclair: Would also allocate.

>> Mayor Adler: But every moment to spent every dollar on anything, someone would have brought a substitute motion to anything that we were considering, and that's not how we have done that, and it would have enabled someone to make a motion for tax relief, someone to amend it, to put money on -- to substitute out for Asia that then -- to substitute out to put something for Austin resource recovery.

>> Troxclair: Except for in this specific example it is 1.2-million-dollar pot of money that we just voted on. This is a specific pot of money that I just bought to get.

>> Mayor Adler: But you can also bring your motion. There's nothing to stop you from bringing the motion for 1.2 million tax relief. And as we will do on this whole budget if we're over on any element of that we will have to reconcile it.

[5:49:13 PM]

If you get the votes on 1.2, if it passes it goes in. There's nothing to stop you from making that motion or affecting that motion. But what's in front of us right now is this 580,000. Is there any further discussion? Yes, Ms. Alter?

>> Alter: I'm very comfortable with this process and I'm going to make an amendment to his amendment to put the 580,000 in reserves.

>> Mayor Adler: Your difficulty is with what now? Your difficulty is with spending the money with -- what you're saying is that you don't think we should be allocating this \$580,000?

>> Alter: Well, I personally think we should be having money in reserves, so I'm proposing that as an alternative use, but I'm also uncomfortable with the process that we're going through where councilmember Troxclair was not able to make a motion for tax relief. I think there are several of us on the dais who are interested in tax relief.

>> Mayor Adler: She still can make that. If it is the will of the council to allow the substitution at this time rather than having the motion, someone could make that motion to overrule the chair and we could put that to a vote. But I think it's the way that we continue this most orderly. And the vote will come up in just a second when we're done with the 580. Ms. Pool?

>> Pool: So the 580 is only a portion of the additional money that we had available to us, so that's one thing. It's not 100% of the monies. And we do have reserves. We have 12% of our total budget always in reserves. Is that correct, Mr. Van Eenoo? Do I have the percentage right, if not the dollar figure? We have reserves.

[5:51:16 PM]

>> I didn't hear your question.

>> Pool: We have reserves for our city budget. It's part of our budgeting process that we set aside reserves, is that correct?

>> Absolutely.

>> Pool: And it's 12% of the entire budget.

>> 12% of the general fund budget and other enterprise operations have reserve. We have an economic reserve, we have lots of reserves.

>> Pool: So we're not -- at any rate, we are meeting our fiscal obligations with regard to our reserve policies.

>> Mayor Adler: Okay. So I'm going to rule that that substitute motion is not in order for the same reason because it's the same as voting no on the \$580,000.

>> Alter: I would like to say that we have 1.2 million on our concept menu for the pay for success, which I support. That's supposed to be in reserves, which happens to be the same amount. And I gathered from our conversation that you would not let me put 1.2 million into reserves as the alternative, so I don't see what the difference of saying I want to put 580 into reserves is to saying that I want to change an amount in there. It's the same thing.

>> Mayor Adler: Because that would be -- we could have done this where someone said I want to put \$50,000 to this and someone amended to put that same \$50,000 into something else.

>> Alter: That's what we've been doing for the last 83 days.

>> Mayor Adler: We've been doing that individually except for when we had agreement. This is a process question. We could have every one of these questions. It's not that everyone can move every one of the dollars they want to have. We could be done in all these votes in five minutes, every one of them. Of the motion in front of us right now is \$580,000. There's an objection. All those in favor please raise your hand?

>> Troxclair: Didn't she make an amendment to allocate those funds to the reserve? That's an amendment, not a substitute motion. And I don't understand why that would be out of order.

>> Casar: Can I explain why I would think that it's not fair for this process? For example, again, an organization like the asian-american chamber, I was opposed to the money going to that not that I'm opposed to equalizing it, but that I would prefer it to go to wages.

[5:53:23 PM]

But I voted no on that item and L but if I had the chance to put up an amendment and say that money should instead go to the lowest paid employees in the city, then I would have made that amendment and gone through that process. But instead I voted no and then -- now I'm bringing forward an amendment to address the wage issue. So I would have gone through this entire process differently if

we could have pit a particular item against other items through an amendment process instead of individual motions.

>> Mayor Adler: Again, just vote no on this. Even if this passes you can still bring the motion to take 1.2 million dollars and put it into reserves and we'll vote on that and we'll keep working until we get something that's in balance. The motion in front of us is the \$580,000. Any further discussion on this? All those in favor please raise your hands? Those opposed? Troxclair, Flannigan, Houston and alter. The others voting aye. Ms. Troxclair, do you want to make a motion?

>> Troxclair: Yes, I do. I would like to make a million that we just were able to free up from the general fund to apply one million of that towards taxpayer relief by putting it towards lowering the tax rate and \$200 million for the total -- I don't know what the exact --

>> Mayor Adler: \$200,000.

>> Troxclair: \$200,000 towards the senior exemption. I mean, this has been the one thing that has been missing through our conversations today is what are we doing to just help the average austinite who may not -- we have a lot of needs in our city and we are doing the best to allocate the money as best the council knows how, but we also have a lot of people in the city who don't qualify for the programs, who are really -- who are middle class, just trying to scrape by.

[5:55:24 PM]

This is the money that we were spending on police services for spring festival season should have never been coming from our Austin taxpayers. This is a pay to give that money back to them. If we don't do that then they don't see any benefit from this expense that they shouldn't have paid for for the past however many years. I just ask for your support.

>> Mayor Adler: There's a motion to put \$1 million toward -- just to cut a million dollars out of the general fund -- a million dollars out of the budget, and \$200,000 to be applied to the senior exemption. Is there a second to that? Ms. Houston seconds that? Any discussion? We can divide the question. First we'll consider the vote on the one million dollars to leave that money unallocated in the budget so that it would be -- it would serve to lower the tax rate. I will say that's something I want to do, but I can't do it at this level, so I'm going to vote no to this with the hope that I can offer a lower amount later. Any further discussion on this issue?

>> Houston: I'm sure everybody that's here knows and is watching on television knows what is happening to the seniors in this town and to just regular folks who are struggling to try to pay these property taxes. And anything that we can do to lower the effective rate would be beneficial to the folks that we answer to. And I know there are a lot of things out there that we need, a lot of wants that we have, a lot of real critical issues, but it's time that we consider giving back something to the people who

we call on all the time to say we need more money, we need more money and we're going to have to increase your taxes in order to get that money.

[5:57:39 PM]

This is the only thing we have to do. So I'll be voting in favor of it.

>> Mayor Adler: Ms. Kitchen?

>> Kitchen: I know we're divided at -- would it be acceptable if we take the senior exemption question first?

>> Mayor Adler: I called the one million one first. If it's the will of the dais to do differently, I don't care. Does anybody else have a preference? My only concern with the 200,000 is the senior exemption, this is a one-time money deal and I don't know if we want to pay for a senior exemption with non-recurring funds. That's the only issue on that. That would build in essence a whole in the next budget.

>> Kitchen: Well, I have a suggestion. We could put it into ongoing and move something else from ongoing into one-time. So perhaps we just take the vote.

>> Mayor Adler: Okay. I'll call the one-million-dollar one first. Let's take a vote. Those in favor of the one-million-dollar vote please raise your hand.

>> Troxclair: Can I make a final comment?

>> Mayor Adler: Okay.

>> Troxclair: I just want to remind us that I know we've been focused on this five million dollars, but we're looking at adopting a four billion dollar budget here and one billion of that is general fund. It's our discretionary funds. So to the mayor's comment that he supports tax relief, but he can't support it at this level, this level is a drop in the bucket! One million dollars out of a billion, out of four billion!!?? This is the absolute very least that we can do.

>> Mayor Adler: Okay. Ready to take the vote? Those in favor of the-million-dollar please raise your hand. Troxclair, Flannigan, kitchen, Houston and alter.

[5:59:40 PM]

Those opposed raise your hand? The others voting no. It does not pass. The next item is the \$200,000 for senior exemption. Any discussion? Yes?

>> Garza: I have a quick question. What are we at now on -- 200 ongoing?

>> Kitchen: We're at 620. Now --

>> Mayor Adler: On one-time? What are you running about?

>> Garza: I meant for senior homestead.

>> Kitchen: Oh, for homestead? Senior is at 250, which only raises it by 1600 -- 2,000, I'm sorry. It raises it by 2,000. Which is not a lot.

>> Mayor Adler: Okay.

>> Kitchen: I'd like to make a comment.

>> Mayor Adler: Yes.

>> Kitchen: I strongly am supporting this. I think that 200,000 is a very, very small amount to add to this. It would only get us to 450. I'm not as concerned about the ongoing versus one-time. If this passes we'll figure that out in a minute. I have some suggestions about that. But we can only make this vote right now because the timing. We cannot come back later and make a budget amendment on this because of the law and the timing. So I urge you all to -- this is a very small amount. I urge you all to vote for it and then -- and please don't not vote for it because you're concerned about ongoing versus one-time.

[6:01:42 PM]

>> Mayor Adler: I will support this.

>> Kitchen: Because we can move some things back and forth.

>> Mayor Adler: The motion is to spend \$200,000 to increase the senior exemption. Any further comments? Mr. Casar?

>> Casar: I'm not going to vote for this. I have each budget supported some portion of the senior exemption, and was happy to bring that up to the 250 that we were at yesterday. I recognize the argument for this time being the appropriate time as opposed to a budget amendment. I appreciate councilmember kitchen's mention of that. But for me if this does not pass, which is why I would vote no, it would -- I have some other items that I would rather restore from yesterday like going from one position in the equity office back to the original two, getting the 1383 for the temporary employees up to -- up to the 14, which I know that councilmember kitchen and other folks care about, and I recognize that we may try for some of those things in future budget amendments, but there are just some issues such as those that I potentially even trying to get our 2.5 cost of living increase up one pay period closer

to Thanksgiving, things like that. But since we're already at 250 in this one that's what my preference is and that's the reason for my vote. That's all.

>> Kitchen: Mr. Mayor, if I could make a comment. I certainly respect that. I just -- you know, one of our amendments a minute ago was to identify two million dollars, which I'm optimistic that we'll be able to do by the budget amendment time, which will allow us to consider some of these other activities. We cannot consider the senior exemption at a later time. So that's why I'm urging everyone to -- this is our shot. We cannot consider it at the budget amendment time.

[6:03:42 PM]

>> Mayor Adler: Okay. Further discussion. Yes, Ms. Troxclair? I'm sorry, Mr. Renteria.

>> Renteria: Ed, I'm looking at this here and it says increasing the senior exemption by 2,000. And we have an ongoing for 253, 255 and a one time 78, 676. Is that what would increase the exemption to just 2,000? Is that the amount?

>> That number is for E 201, the 20648? That was to go to 1600. I don't have the amendment sheet, but councilmember Casar's amendment was to increase it further. I think we get back to the \$2,000 now, those numbers change and I can't do the breakout on the fly.

>> Renteria: I'm going to support it because I think that the 2,500 -- 250,000 is not enough.

>> Mayor Adler: Okay. Any further discussion? Ms. Troxclair?

>> Troxclair: So if my math is correct, after the item that we just passed with the spring festival season in allocating immediately spending \$580,000 of that money, we still have \$620,000 left. So I don't know what you're going to let me do, mayor, but if I can make an amendment to increase the -- I guess it was my own motion. I don't know if it was my motion or councilmember kitchen's motion. I would like to increase the amount of the senior exemption to \$620,000. These are the people that are getting hit the hardest with our continual property tax increases. They're on fixed income. We have to do something to help them.

>> Mayor Adler: My preference would be to take whatever the balance of the money is and put it to the overall tax exemption and I would vote for that.

[6:05:49 PM]

>> Troxclair: To lowering the tax rate?

>> Mayor Adler: Correct. After this vote on the 200,000, I would move to take the balance of the funds and put them toward lowering the tax rate.

>> Troxclair: In addition to --

>> Mayor Adler: Yes. Yes.

>> Troxclair: Okay.

>> Mayor Adler: Okay. So let's take the vote on the 200,000. Yes, Ms. Alter?

>> Alter: I just wanted to comment that we started off trying to provide a million dollars and we will end up just short of 500,000, and our seniors deserve help being able to stay in their homes. So I hope people will support this.

>> Mayor Adler: Okay. Those in favor of the \$200,000 please raise your hand for seniors. Those opposed? One is opposed, the mayor pro tem, Garza and Casar. The others voting yes. I would then move to take the balance of the funds and put them to lowering the tax rate. Do you know about how much that would be?

>> The remaining funds is \$349,000.

>> Troxclair: Mayor, I would really appreciate the opportunity to make that motion.

>> Mayor Adler: I will let you make that motion.

>> Troxclair: Thank you.

>> Mayor Adler: Motion is made by councilmember troxclair. Is there a second to that motion? Ms. Houston seconds that. Any discussion on this item in mayor pro tem first and then we'll come back.

>> Tovo: So we've had this conversation before. I think it was two budget cycles ago we allocated one-time funding to tax relief. And the advice of our financial staff at that time is that that's not their recommendation. We just took a vote on a senior exemption which I think raises the same concerns when you fund an ongoing need with one-time funds you create a hole for the next year.

[6:07:54 PM]

So I wonder if you could speak to us about whether it is in your professional visible to use one-time funds for the tax rate and then have the funds for the subsequent budget cycle.

>> Sure. It's not only against my advice, but it's also against your financial policies, which are explicit about using recurrent sources of revenue for recurring commitments. If the statement was we are making a one-time increase in the senior exemption and a one-time -- let's stick with the senior

exemption. A one-time increase in the senior exemption that's easy for you to undue the next year and say we'll lower it back down again if we needed to. We can't really do that on the tax rate that the 70 year's tax rate builds off of your previous tax rate, so once you set it at a certain level, once you set it at a level below what's proposed using one-time funds then it does limit which revenue you can raise in the future, and that may or may not impact your budget down the road. It depends on a lot of factors, but I think it would certainly be using a one-time source of money to make a permanent reduction to your future revenue trajectory.

>> Tovo: Thank you. And I remember we had conversations last year about how it had impacted that year's budget as we started out our budget process so I'm not going to be able to support this for the same reason I didn't support it two cycles ago.

>> Mayor Adler: To be clear, Mr. Van eenoo, when we do a senior exemption, we create a hole in the budget because next year we have to reduce that. So I remember the advice that said if you're going to do a senior exemption, it's best to do with recurring funds. But the other action that we're taking is just setting a budget total that's less than the 8%, which is what we did last year. We set a total that was less than 8%.

[6:09:55 PM]

Was that against our financial policies? In other words, I think by saying that we just don't want to spend the full 8% is not in violation of any financial policies because it's not creating a recurring expense that shows up on our budget. And I don't think we have a policy that says we should go to 8% every year in order to maximize the tax rate, the revenue, so that every year we get the maximum amount the following year. I just want to understand if we were to -- if we were to approve a budget that didn't total an 8% increase is that against our financial policy?

>> Well, you're approving a budget of say, a million dollars of ongoing commitment and in this action you're choosing to set a tax rate that would actually get you a little less than that billion dollars and filling in the gap with one-time funds.

>> Mayor Adler: Help me understand. If I have \$325,000 less to spend or whatever the number is, and I choose not to spend it, you're saying that that's against my financial policies? Because I don't want to do anything that's against our financial policies.

>> I mean, 367,000 is such a margin, it's hard to explain it.

>> Mayor Adler: Let's say we decided we didn't want to spend a million dollars, two million dollars, four million dollars. Would that have been against our financial policy?

>> That's where I was going to go. If that was the situation that was before you and you had an extraordinarily large amount of one-time monies available for you for whatever reason.

[6:11:59 PM]

You had \$20 million in this column called one-time funds and you said that's great, we can set the tax rate significantly lower than where we need to because we have these one-time if monies this year we can pull in to fund it. You won't have the one-time fundings next year and your ability to generate the taxes next year is now lower because next year's tax rate is going to build off of whatever this year's tax rate is. So think about it in terms of a large dollar amount, maybe what I'm trying to explain makes more sense. 367 it's such a tiny amount, it probably isn't a huge impact, but technically it doesn't comply with your financial policies.

>> Troxclair: Mayor?

>> Mayor Adler: And that's because -- I think now I understand. I apologize. And that's because we have some one-time expenses that you're saying you think people intend to be ongoing? So lowering the tax rate then creates that issue. I understand. Ms. Troxclair.

>> Troxclair: I don't understand because what if the council -- the only reason that we're collecting -- the only reason that we have the funds in the -- well, we don't have the funds. The only reason that we might have the funds in the first place is because we would set a tax rate to collect that money. We're just saying don't collect that money. What if we wanted to -- we're just adopting a tax rate of 7.99%, eight%, if the city manager proposed a budget or the council proposed a budget that adopted the effective tax rate and didn't increase taxes you wouldn't say that was against our financial policy.

>> Well, the city manager did propose a budget that had some funding just kind of, you know, not allocated that was left for the council. And one of those pots was a million dollars in reserves. Our reserve levels were a million dollars above the 12% that's required by financial policy. She could have, although I would have -- she wouldn't have because she was the ex-cfo, but vehicle are taken that one million dollars of one-time funds and have a tax rate slightly lower than what it otherwise was.

[6:14:07 PM]

But again it's a one-time source of funding. You can't continue to take that money out of that one-time pot.

>> Troxclair: But if you never set the tax rate -- that's only because you're assuming that the city would adopt the eight percent tax rate. If we never started with the assumption that we were going to adopt an eight percent tax rate, if we always started with the assumption that we were going to adopt a tax rate that was slightly lower, that's the same as what we're saying. We're saying just don't collect that money to begin with. There must be something that I'm missing because there's taxing entities all over the state, all over the country, that adopt a tax rate that is below the -- below the rollback rate. In fact, we're one of the only cities in Texas that is adopting the 8% rollback rate. So you wouldn't turn to those other cities and say if you don't adopt an 8% rollback rate --

>> That's not what I'm saying. The other source of funding, is it was five million dollars total F the manager, staff, however you want to look at it, wanted to recommend a budget below the rollback rate that it's proposed at, using those four million dollars of recurring funds would be perfectly in compliance with our financial policies and good financial practices using the one-time sources of funding would not. And again, in an extreme example I'm talking about one million dollars above our 12% policy. And in an extreme example the manager could have said hey, let's take -- you could do this at this time, we have 120 million in our reserves and you could say, let's take \$50 million out of our reserve and drastically lower the tax rate. You will be in real trouble next year, I'm telling you. So in large numbers I think it makes sense, and these smaller numbers around the margins maybe it doesn't make quite as much sense, but it's the same argument, it's the same challenge and it's the same rationale and it's the same problem relative to our financial policies.

>> Troxclair: So if we adopt -- I'm either -- well, I am extremely tired, but I'm not understanding what you are saying.

[6:16:11 PM]

If we were going to adopt -- if the city manager had proposed a budget at the effective tax rate and we adopted a budget at the effective tax rate meaning that we didn't raise property taxes, you wouldn't say that that was costing you -- I don't know what the difference -- what's the difference between the effective tax rate and the rollback rate in this budget.

>> \$44 million.

>> Troxclair: \$44 million. So if we adopted -- if she presented an effective tax rate or regardless of what she presented, if the council adopted a tax rate at the effective tax rate that was \$44 million less than this document, it's not official until we have actually adopted something. We haven't adopted a tax rate yet so there is no money in our reserves to take out. If we adopted a budget out of the effective tax rate you wouldn't tell us that we were taking \$44 million from our reserves.

>> I think it would be the same argument and the same issue that if somehow before midnight you are able to cut \$44 million from the ongoing column and we had a budget at the effective tax rate, then if

there was a desire to go below the effective tax rate I would say please don't take that out of the reserves to lower your tax rate. I would have the same argument that even if you did what I just described you would still have a large reserve and you could still adopt a budget with the tax rate below the effective rate now and you could pull the money out of reserves and I would still tell he you that it's against our financial policies and good financial practices.

>> Troxclair: But we haven't collected the money yet.

>> Mayor Adler: Manager?

>> Troxclair: I'm sorry, I appreciate you, Mr. Van eenoo. I just am clearly not understanding.

>> Ed is correct in his explanation of the financial policy and the numbers. I think what allows us to be comfortable with this type of reduction using one-time funds is that every year when we propose the budget for the next year, whatever we had in one-time funds in the current year budget we pull that out. So we know today that we have sufficient one-time funds in the proposed '18 budget that if you approve all of it, that those will offset this 369,000.

[6:18:18 PM]

But his explanation of the policy is correct, but I just wanted you to understand that that's how we justify that flexibility of reducing the tax rate because of those one-time funds. If in this case it's a one-time fund, but we have others that we'll take out next year to offset it.

>> Troxclair: But you're not saying that -- based on the way that you're explaining it to me -- and maybe I'll just let other councilmembers ask questions. But based on the way you're explaining it to me, you're telling me that we would never -- we would never be presented with a budget that was anything but an eight percent tax increase.

>> No, that's not what I'm saying. That's not what I'm saying.

>> Mayor Adler: The motion on the table is to leave undesignated -- to not spend \$369,000. Yes, councilmember kitchen.

>> Kitchen: But to use that-- the effect of thats to lower the tax rate.

>> Mayor Adler: The effect of that is to lower the tax rate.

>> Kitchen: And just to be clear, we're not violating that -- we're not doing anything -- I'm not going to go through all the explanations of how it is we are able to do that, but based on what our city manager is saying, she is comfortable that this is something that we can do. So I want to emphasize that to everyone that we can take this vote and it's not something that we can't do.

>> Mayor Adler: Okay. Any discussion? Mr. Casar?

>> Mr. Van eenoo or manager, so is what I'm understanding that -- because the mayor actually said to not spend as opposed to lowering the tax rate, but if we wanted to not spend this money, but we didn't want to violate the financial policy would it be to put the money in reserve? Is that what we should do with one-time money we don't spend, but you don't want to violate the financial policy? Is that what we would do?

>> That's what would happen is 367 would go into your reserves and your 12% would be slightly higher than 12%.

[6:20:26 PM]

>> Casar: Because I think some of the confusion is well, if we don't want to spend money how can we violate the financial policy. I think one way to do that is to put it in reserves. So I'm going to vote against this motion. My preference, if this motion fails, my preference would be to spend it on bringing a pay period up for our employees and to increase potentially the funding for the health navigator program or one of the other health programs. I don't know if I will have the support for that, but I will urge my colleagues if we don't want to be violating financial policy and you don't want to spend the money to put it in reserve.

>> Mayor Adler: Any further discussion?

>> Kitchen: Mr. Mayor?

>> Mayor Adler: Hang on a second. Councilmember alter?

>> Alter: There is another way. I'm not sure that I totally understand why this violates it in this particular instance, but I will take the advice of our counsel on that. We have four million of ongoing funding that we could assign to this if there's a worry about it and make these other things not ongoing. And then we don't have to have the concern. I'm not sure if we want to do that as part of this motion, but if that is something that is of concern should this motion pass, we have the ability to do that. We have said earlier today that we were not assigning particular pots of money to particular things and that we could move things from ongoing to one-time. And there's no difference now in that process. Unless we're going to change the process now because it runs counter to something else.

>> Mayor Adler: When we're done with this if someone wants to make that motion we'll entertain it. Yes, Ms. Kitchen?

>> Kitchen: I want to -- I don't want this to be styled that we're voting against it because we can't do it.

[6:22:30 PM]

I perfectly respect if other people have priorities. But we can do this without it's not -- I'm going to support it. I think it is a very, very small amount. I think we should do this. I think we have to remember - I think it's important to remember the population. There's a lot of people with a lot of needs and this is a very small amount and I think we should support it.

>> Mayor Adler: Ready to take a vote? Ms. Pool?

>> Pool: Mr. Van Eenoo, can you give us an estimate on the 300 some-odd thousand dollars if that were to reduce our balance, what effect that would have on the tax rate? Would it be the one-hundredth of a penny.

>> Troxclair: I think the motion was 420,000. I don't know where the 320 came from.

>> Mayor Adler: It was the balance of the funds.

>> Troxclair: We started with 1.2 and we subtracted 580 and we subtracted 200. That gives me 420.

>> Pool: Okay. So what effect would the 420 --

>> If I could just clarify that's close, but there was a negative -- you started with a negative and ongoing funds and so the sum total of what we have left is 379,171 if your goal is to just get us to zero. That would be the amount to -- it would be a .0003 reduction in the tax rate.

>> Pool: And then can you translate that into the median or the average home price is 300 some-odd thousand?

>> Right off the cuff.

>> Pool: I know we're all pretty tired. So the reason why I asked that is because I would rather see that money go to employee pay to add one additional pay period to the small pay raise that we are looking at giving our employees, which I think is potentially to start the first pay period received in December, so that would be the end of November.

[6:24:56 PM]

So it would add one two-week pay period to that. And then the navigators I think was it, councilmember Casar, that you were looking at? That's my personal preference.

>> In answer to your question councilmember Pool, it would be an 85-cent reduction for the tax bill for the year.

>> Mayor Adler: Mr. Renteria?

>> Renteria: That would be my preference too. I think it's such a small amount. But -- so -- I'm not going to be voting for this.

>> Mayor Adler: Okay.

>> Renteria: For the resolution.

>> Mayor Adler: Ms. Kitchen?

>> Kitchen: Again, let me make it clear that I respect everyone's differences and priorities. But you know, I can't really go with an argument that it's too small of a matter because what happens to us is we vote against it when it's big and then we vote against it because it's too small. And to me that just -- that kind of argument just doesn't work for me. I certainly respect people's differences if they would rather spend it on something else, but we would never do it at all if we were just saying -- whether it was significant or not, and it does add up for people.

>> Mayor Adler: Those in favor of -- Ms. Troxclair?

>> Troxclair: My motion was \$420,000 and -- you know, I don't want that to magically change in discussion. And yes, if the argument is that this is too small of an amount, I would be happy to reconsider the vote that we just took on a million dollars to apply to the tax rate, which would have been a larger amount, although still a drop in the bucket, in giving people some tax relief.

>> Mayor Adler: I apologize. I think you're right. You did say 420,000. That's the motion. Those in favor of lowering the tax rate effectively by the \$420,000, please raise your hands? It is troxclair, Flannigan, me, kitchen, Houston, alter.

[6:26:58 PM]

>> Casar: Mayor, I'm going to vote yes in order to reconsider.

>> Mayor Adler: And Mr. Casar votes yes. All right, Mr. Renteria votes yes. That's seven. So it passes 7-4.

>> Casar: Mayor, I'd like to make a motion to reconsider for the reasoning of balancing the spreadsheet at 470 instead of the 420.

-- Instead of the 420, the 480 to align with Mr. Van eenoo. So I'm making a motion to reconsider.

>> Kitchen: With all due respect, I mean, so -- so we could have just taken another vote if you wanted to reduce something, but to vote for something just to reconsider it?

>> Mayor Adler: But it's much simpler than that. We reduce it by \$420,000, which we've done. We're now out of balance. A motion would be in order without a motion to reconsider to bring us back into balance, that's going to require us to change something we've already voted on.

>> Casar: I've been caught in situations before where I'm not allowed to amend something that just passed. That's why I --

>> Mayor Adler: That's fine. Now, can you tell us where we are at this point?

>> Alter: Is it at all possible to get some kind of copy? It's hard to know what we want to amend from the 580 because we don't know where the numbers are and what pockets they went into.

>> Mayor Adler: It's now 6:30. I think some of us may have gotten a bite to us. Some of us didn't. Can you print where you are so people can see that spreadsheet or publish it and give to us? And we can take a short break, those of us who haven't eaten can grab some pizza. We can look at the page and then come back and finish the budget? Mayor pro tem?

>> Tovo: Mayor, I want to clarify something before the budget gets printed. So our base motion of the day had the pay for success item in it and it had it in there as a reduction in the budget stabilization reserves, bringing the budget stabilization reserve down to 11.9 for that 1.2-million-dollar allocation.

[6:29:12 PM]

>> Mayor Adler: That's not correct.

>> Tovo: That's not the way it's been recorded thus far so I want to pause here and clarify so that we can verify that and provide that direction to staff.

>> Mayor Adler: Okay. I think that would be repeating that. I know that I said that explicitly when we first laid out the budget, but the base budget had us reducing the reserve by 1.2 for the pay for success model of that was part of the base budget. As it came back in. That was the action that council took in adopting that budget.

>> Tovo: The base amendments.

>> Mayor Adler: The very first thing we did.

>> So I think the first thing we did, maybe I just need clarity, is that had initially been brought forward under councilmember Casar's spreadsheet as a 1.2-million-dollar general fund expense. I believe the body wanted that removed. We removed it. I'm not clear on what the action is to reduce the reserves by 1.2 million dollars. I don't know where you want us to put those funds.

>> Mayor Adler: We wanted you to reduce the reserve by the 1.2 million.

>> Tovo: And allocate that, yes, and allocate that 1.2 for that specific purpose.

>> Mayor Adler: Yes. And it would be maintained in essence as a reserve for that purpose. With the understanding that before that money could be spent it would have to come back to the council for action.

>> Okay. I think we would be creating a new reserve specific for this. We create a new restricted reserve specific for pay for success, which we can do with your -- okay.

>> Houston: Mayor, did we vote on that this morning?

>> Mayor Adler: That's what we did yesterday.

>> Houston: Oh, yesterday.

>> Mayor Adler: Yes, Ms. Pool?

>> Pool: I wanted to clarify, and this is going back to I think the first day of our deliberations or maybe the second day, that part of the base motion was the expanded hours and capacity four city owned cultural centers.

[6:31:15 PM]

420,000 was coming from the curl cultural arts fund.

>> Mayor Adler: We did not take action on that item. So we can certainly take action. Can we handle that as one of the ones after dinner? If you can get us that list we'll continue working on the budget. We're not in balance at this point. So we'll see what those numbers are and figure out what additional finishes people want to do -- what additional things people want to do. Yes, Ms. Kitchen?

>> Kitchen: There was one other item that we mentioned earlier that I think is part of this, but I'm not sure. The mayor pro tem had mentioned it and it was with regard to the hot tax and that was the looking -- it was related to small business. So I just wanted -- we already took that motion, but we had suggested that it would be part of it. So I'm not remembering exactly how you said it. Inc. Considering councilmember troxclair's direction, I think I provided additional direction to the city manager that the economic development be part of that. Let me just call awe that may be particularly with an -- not just for the red river cultural area and the Rainey street district, but also for the programs that might be eligible within the global business program or whatever the division was that you were highlighting. Now, it was my understanding that there was an interest in discussing local business and I thought someone had a budget rider with regard to local business, and I'm real interested in that, but that was not coming forward for me, but thanks for the reminder.

>> Mayor Adler: Okay. It is 6:32. Let's take recess. Ed, how long do you need to print something to give us something to take a look at?

>> It depends. Somebody down here was mentioning the \$580,000.

[6:33:17 PM]

I've not seen that list myself. Wire R. We're doing our best to keep up with y'all, but I'm not seeing the 580.

>> Mayor Adler: Mr. Casar, would you read them what made up the 580, please?

>> Alter: Before you do, can I ask one clarifying question because it relates to what he was going to read. On that I wanted to clarify that with the workforce development -- I just want to clarify your intentions if you wanted the enterprise fund amounts to increase commensurately. I don't know that you said that.

>> Casar: I think I said it, but not as articulately as you just did.

>> Mayor Adler: And I repeated after that to gross up the total amount based on the 25 in the general fund. So I think we had that covered. But it's good to have it doubly sure. Manager, did you get all those things? You gave them to Ed?

>> Yes. I took notes on councilmember Casar's amendment and I emailed it to Ed and Diane a little bit earlier. They may not have been able to look at it yet.

>> Mayor Adler: Okay.

>> They haven't.

>> Mayor Adler: How long do you think you need to get that back to us?

>> I think 30 minutes would be fine.

>> Mayor Adler: Okay. So we'll reconvene at 7:00.

>> Casar: Mayor, I want to notice everyone that I do have a couple of I think consensus budget directions that should be quick, but I think should happen with this budget passage and I have -- I would like to talk about the code department budget. I think a few others would like to as well.

>> Mayor Adler: I have a budget direction that relates to the workforce development training. We had talked about having metrics with that. I'll hand that out. And then I have a budget direction that follows from the posting that I put in about the equity office and the quality of life and I'll hand that out as well.

>> Alter: Mayor, I have, in addition to what councilmember pool talked about with the cultural arts fund, I also have S 7, which is converting positions.

[6:35:25 PM]

There's no impact on the general fund totals.

>> Kitchen: And mayor, I have one last one related to Umlauf and that's just the carry forward from the budget rider from last year.

>> Mayor Adler: Okay. And with that we'll be in recess until 7:00.

[6:55:34 PM]

>>> >>> >>>

>> Test test test this is a test, abcdefg. >>> >>> >>> >> >>> >>

[7:10:32 PM]

Commissioner Travillion, in a. >>> >>> >>> >>>

[7:21:10 PM]

>> Mayor Adler: All right, council. Think we're close? We're back from recess at 7:21. Ed, did you send that to us? The spreadsheet?

>> I did send it to you.

>> Mayor Adler: Okay.

>> Has it come through?

>> Mayor Adler: Hang on. You sent at it 7:07 P.M.

>> Council concept budget, sent 13th, 6:57.

>> Mayor Adler: Okay. And you say for all intent and purposes this is a balanced budget at this point? Yes, certainly will not move the needle on the percentage of reserves, so you are currently at 11.9%. You will still be at 11.9%. \$30,000 out of balance is not going to change that number.

>> Mayor Adler: Okay. So if we stop now, we would stop with -- with you believing we had adopted a balanced budget?

>> Yeah, the budget would be balanced in your reserve -- and your reserve levels would be \$30,000 less than if you continue to try to find \$30,000 to balance it out. We're talking out of 120 million plus reserve. So it's not really material. But if you want to balance what you want to do, we could do that. Or we can stop here.

>> Mayor Adler: All right. We are now back up to the -- to the dais. Ms. Pool?

>> Pool: Thanks, mayor. I wanted to make sure that the amount for the Ada compliant playgrounds was listed in there correctly.

[7:23:11 PM]

And it was -- I we put it in at 200,000.

>> It had been 200,000 of other funding with that other funding not yet identified. Councilmember Casar's motion sheet there, that last motion sheet created \$50,000 of one-time and removed the 200,000 of other funding because the other funding source had not ever materialized.

>> Pool: Okay.

>> I think he was perhaps looking at -- at park lands dedication fees or some other sources that I don't think panned out for whatever reason.

>> Pool: Right, we heard earlier today why that wouldn't work. So we need to at least find 50,000 in order to be able to fund at least one park, Ada compliant equipment and access because the -- I'm sure that the dollar figure will adjust, but the number that the park staff have given us is \$100,000 for one park playground to be completed. So I would -- I would ask that we look for the additional 50,000 somewhere.

>> Mayor Adler: Okay. We have a budget in front of us. Mayor pro tem?

>> Tovo: Mayor, I have a question. It's possible -- because I'm looking at it on my computer and don't have a printout, it's possible that I am missing it. But I am looking at -- I see create a dedicated reserve --

where is it? Create a restricted reserve for pay for success, but I'm not actually seeing the allocation associated with that. I'm not actually seeing where that is funded at \$1.2 million.

>> That's fair. I know what I meant by that, but we can add to the spreadsheet under that other column a negative \$1.2 million just to memorialize that we are taking it out of the reserve. It's kind of going from one reserve to another reserve, we can put that in there to make sure that it's memorialized.

[7:25:13 PM]

>> Tovo: I think that would be super. Thank you.

>> Mayor Adler: Yes.

>> On that pay for success, I want to make clear for the record having this in here I don't think indicates an implicit or explicit agreement that council is going to do this. The terms of the contract are still being negotiated.

>> Mayor Adler: Not only does it have to come to a local agreement. It has to come back to the council to be approved legal or not before that money could be appropriated or spent. Further discussion? Yes, Ms. Troxclair?

>> Troxclair: So I guess that was included in the motion for the base budget today. But I -- if I'm remembering correctly, yesterday we took a vote on whether or not to include that in our reserve -- whether or not to include it in the sway by dipping into reserves. And I think the vote was to not do that. So I don't know how it ended up. We didn't actually vote.

>> Yes.

>> Mayor Adler: No. It was -- it was part of what was presented by councilmember tovo, so at that point it was discussed that that was part of the base budget that we were dealing with. It was in councilmember tovo's original thing. We recognized that was part and parcel of what she did. The next amendment came from Mr. Casar, doesn't change that --

>> Troxclair: Yesterday.

>> Mayor Adler: So we voted to adopt councilmember tovo's -- the vote -- there was a vote to do it and the vote was when we adopted councilmember tovo's proposal, which included that. It was part of that. So if we wanted to change that, there would have to have been a vote or an amendment or a change to that.

[7:27:14 PM]

And we --

>> Casar: And to be clear, we could go check, but I recall when I read out my motion, I explicitly stated pay for success and reserve myself. So that was seconded and is on the table.

>> Troxclair: You did. But I -- at the time we were trying to move off of this and to hot so I have just been saving this question. But I remember us voting on this yesterday. But I'm the only one that remembers that, I might be --

>> Casar: I'm saying regardless of what happened yesterday, since this was my motion and seconded, somebody could make an amendment to change it.

>> Mayor Adler: Right. We could change that if someone wanted to bring that to a vote now, someone could move to change that, as we could move to change anything that's on here.

>> Troxclair: Yes, I understand that. So my question was going to be if there was anything else included in this base motion or in these additions the \$580,000 that was just approved that was, number one, either voted on and not approved yesterday or, number two, was not mentioned at any point until today. I do not remember talking about paid sick days off. To me that is a policy change that should be done through resolution. I don't remember that being part of our budget discussions and that's taking up \$220,000 I think right now. Then there were a few things on the list that councilmember Casar read out earlier of their new additions for the \$580,000 that he said weren't on the list -- weren't even on the list from this morning, which is the same list from yesterday. And so I'm just trying to identify what those things are that are -- that are -- have just popped up today.

>> Mayor Adler: Mr. Casar?

>> Casar: One thing in the 500 and change vote that we took was all of those were just refunding some portion of what was cut out.

[7:29:16 PM]

Except for the limited language proficiency, Asian American health navigators. That was the only one that was not on the list yesterday.

>> Troxclair: We don't have a printed list of this? I have a printed list from this morning. But do we have the \$580,000.

>> Casar: I'm sure we can --

>> Troxclair: It was -- okay.

>> Casar: Electronic.

>> Mayor Adler: That particular item was called out and discussed at the time of the motion.

>> Troxclair: That is -- yeah, it's just hard because I don't have anything in front of me to look at.

>> Mayor Adler: I understand.

>> Troxclair: Trying to read my notes from earlier. The thing that you just mentioned is \$155,000?

>> Mayor Adler: That's correct, that was a program --

>> Casar: Sorry, councilmember troxclair, we have this in email, spreadsheet, from Ed at 7:07 P.M. I don't have a printed version, I just got here and I wanted to highlight that, just not for you but for the dais.

>> Troxclair: Okay to the extent that councilmember pool other others are -- that generally had support yesterday or earlier in the day, like parks for disabled children, I would look to -- to the new items that have just popped up on our list in the last hour or so?

>> Mayor pro tem?

>> Tovo: Just to clarify, the items -- I know councilmember Casar said this, but just to underscore, the items that were funded through that additional motion were supplementing things that were already on the list, with the exception of the community navigator and that was -- that was a recommendation that came from the Asian American quality of life. And I believe it might have even been on the concept menu.

[7:31:19 PM]

It was not included in any of the motions or amendments that we made yesterday.

>> Troxclair: Councilmember Casar, the other question that I had was offering paid sick days off to temporary employees. Is that something that there was a resolution about or that we had discussed previously to today?

>> Casar: I had mentioned before wanting to -- the concept -- we actually have about five or six different concept menu questions, primarily about how do we make our temporary employees be at the same place -- be treated not differently than part-time or their full-time employee equivalent. And so we were just figuring out different ways that we could achieve that goal because there was disparities in their healthcare plan, disparities in sick leave and disparities in wages, so we've been working to try to close the gap as much as possible in all three of those areas and I think that we've discussed -- discussed all three areas, benefits and wages. So we have split this up pretty evenly. I'm happy to hand out budget

directions to clarify that portion if I could. Since we are for the first time separating the -- at least since we took the dais, the minimum wage for temporary employees from our permanent employees, budget direction sets our intent that the minimum or living wage for city contracts and other city supported projects should be the lowest wage paid to our permanent city employees because I imagine our staff may have difficulty interpreting some of our resolutions that used to run on the assumption that we had one single minimum wage. But now that we have two, this gives some clarity and direction that the minimum wage for our permanent city employees is what we consider that living wage. And then, secondly, this bucket of wages and benefits, which we now have set at -- let me find out, at 490, is that - I think that's right if this is the most updated one.

[7:33:29 PM]

490. At 490. That that [crashing sounds] is split about half in half. 287,000 to have our temporary employees at 13.84 an hour, 2.5% increase of the minimum effective February 4th, and that the remaining funding, a bit smaller chunk of money, is allocated to ensure temp employees have access to earn sick days. That should happen at our enterprise funds and for our general fund departments. So if that's accepted or if we have to take a motion --

>> Mayor Adler: So Mr. Casar moved this budget direction. Is there a second to this budget direction?
Ms. Garza seconds it. Discussion? Yes?

>> Can you help me understand what this obligates us for ongoing funds to be needed for next fiscal year if we implement this February 4th of 2018 and this becomes their wage, what is this -- what is this doing for the rest of our budget in fiscal year 2019. 2019.>> Casar: If you give me one second that's in a budget question and answer. This is when the temporary raise happened other years, this would continue that one-year stagger out, our permanent employees, there is also an annual losing because it doesn't -- annualizing because it doesn't happen until September and the amount is ... Hang on one second. According to budget question number 180, 9 annualized cost is ... Sorry. It's in the budget answers for the \$14 an hour, but I don't see it.

[7:35:32 PM]

And -- at the 13.80. If I pull up the \$14 an hour one, maybe it will give you some sense of the range. I'm looking for the budget answer of -- here we go.

>> Mayor Adler: 133 through 136 or something.

>> Casar: Yeah. So this is for \$14 an hour, which is a higher raise. The annualized cost for -- for \$14 an hour is an additional \$237,000. But we are talking about a 13.83 raise. So, you know, 13.50 to 13.83 instead of 13.50 to 14. So by some significant order you would say likely between 100 and \$200,000. This is what we've -- how we keep this going. Each year it's been early part of the next year for the -- for the temps and late part of this year for the general employees.

>> Alter: So how much was the total amount in terms of the wages portion that you are proposing that goes to February?

>> Casar: The wages portion is 287 and the sick days portion just over 203. Okay. Thank you.

>> Mayor Adler: Any further discussion on this budget direction? Those in favor please raise your hand. Those opposed. Ms. Houston, Ms. Alter, troxclair, others voting aye, it passes. Mayor pro tem?

>> Tovo: Mayor, I just have one very slight adjustment to the budget that we have in front of us, as you may remember, we had multiple concept items that really broke out increasing the capacity and homelessness services into different -- different ways in which we want them to invest.

[7:37:49 PM]

I would just suggest at that point given that we've -- that amount has decreased rather substantially from 4 millionish, to -- to 840,000, I believe. The balance between navigation centers and increased capacity is a bit -- a bit out of balance. So I would like to combine those two figures and just indicate our direction that it's our expectation that it would include at least two navigation -- navigators. At least two navigators. In talking with -- with some of those individuals who helped us prepare the budget, they were concerned that we -- that we may have more money right now for navigation than we do for -- for resources to which to navigate people to. And so that just allows our staff to really assess the appropriate amount. I know it's -- it's very important to have those navigators and so, again, we would include the -- the direction that navigators be a part of that. But just merge the funding with the expectation that it would be invested across -- to increase capacity across the different areas that we had discussed in the concept menu in more detail.

>> Mayor Adler: Okay.

>> I would like to speak to that.

>> Mayor Adler: Let me first see if there's a second to it. >>

>> Kitchen: I would second to it, I would just like to clarify it.

>> Mayor Adler: You have spoken to it. Anything more that you want to say to that? Okay, Ms. Kitchen?

>> Kitchen: I just want to clarify it. I think that's good. But the direction should be clarified at least two navigators serving the south central part of Austin, so I brought this forward to address a particular issue in south Austin and so -- so I'm happy to have this budget direction and to do that and drop down the 250 because I agree with you that we need to rebalance it.

[7:39:51 PM]

But I cannot go forward unless our direction is specifically for -- at least two in south Austin. Because that is what we talked about and so I want to make sure that that's clear in the budget direction.

>> Tovo: So I thought we had talked about at least two navigators and it was my understanding that they see as the need, the next one to be in south -- south Austin. I didn't understand that we were talking about assigning both of the navigators to south Austin.

>> Oh, I see. I see what you are saying.

>> Tovo: So the direction that I was including was at least two navigators.

>> Kitchen: Okay.

>> Tovo: Again it's my understanding one of those would be assigned, possibly, not both.

>> Kitchen: But then the direction needs to be at least one of them assigned to south Austin. I can't go forward without that direction. That -- that is the purpose of this item, which is my item. So I'm happy to have budget direction that takes E 16 down to two navigators and with that direction and combine them, too, with the direction that at least one of those navigators be dedicated to south Austin.

>> Mayor Adler: I would have a problem with us designating a location. I think it should go to need and certainly I know there's a lot of need in south Austin. So it wouldn't surprise me at all if that's where the staff decided to put it. But if there was a greater need somewhere else, I wouldn't want to have not sent it to where the greater need would be.

>> Kitchen: Then I cannot combine the two under that circumstance because that would mean that I could end up -- we could end up with no navigation services in the part of town that we brought this forward for. Of the so that's fine if you are not comfortable making that designation. Then I'm not comfortable combining these.

[7:42:02 PM]

>> Tovo: Well, mayor, if I may, there's nothing within this that designates them. Right now. Separated out as they are. So -- so I'm happy to -- I don't know where to go from here because I think -- I've been assured that -- by those who are doing navigation that they see that as an area of need and one will be assigned. At some point. I think we are crossing into operational matters. But I'm happy to -- if you want to make an amendment -- we can --

>> Kitchen: Mayor pro tem, I mean, what you are doing now is not what our conversation was about, nor is it what we agreed to on these two items. And that's not appropriate. I am -- I am perfectly happy if you would prefer to do is for me to lower item E 16 and raise the other buckets. I'm happy to do that. But if you are wanting to combine them without the kind of direction that I'm talking about, I cannot do that. Because there is a need in south Austin and it was identified as part of the work that was done in the work group that was working in south Austin. And so with all due respect, mayor, there was a whole work group that came up with this recommendation. For south Austin. And I don't think it's fair to say that there may not be the need in south Austin. So ...

>> Mayor Adler: I didn't say that. I said my belief is that there's great needs in south Austin. I'm uncomfortable with us from the dais making that direction. If that's where the greatest need is or one of the greatest needs, as I think it very well might be, I think that staff would put it in the appropriate place.

>> Kitchen: Okay. Well then here's what I will propose as an alternative motion, if mayor pro tem will accept this.

[7:44:03 PM]

We'll take E 16 down to 125, and put that -- that difference over into the bucket for E 78, E 9, 11 and H 4. I'm happy to proceed that way. If that would be helpful I will make that motion.

>> Tovo: Well, mayor, if I could. So.

>> Kitchen:, I appreciate that we clearly didn't communicate clearly about this when we talked about it. In looking at E 16 it talks about staffing for navigation centers around the community. It's not specific about where they are. It would not be a practice I would ordinarily support, but I think to accomplish this and get this done, my named amendment is to combine them. If you want to specify that at least one of the navigators gets assigned to the south area we can vote on that. I think that's the easier way to accomplish it. That way the rest of the money is -- can be invested across K.

>> Kitchen: Okay. That's acceptable to me.

>> Tovo: Just to be clear, the original concept menus did not specify areas. We are adding a level of specificity that was not in the concept menu.

>> Kitchen: Just to be clear --

>> Tovo: I'm proposing that councilmember kitchen amend my amendment in the way she first suggested to specify where at least one of those navigators will go.

>> Kitchen: And I would just like to clarify that I have been talking -- I've been talking about this for quite some time with regard to the Southwood area. We had -- and this has been part of that conversation. We had meetings with ems and APD and echo and a whole group with our neighborhood and we've been having a working group that came up with this recommendation.

[7:46:11 PM]

So that's why I brought this forward as well as for the whole city, but we had enough for the whole city, but since we've had to cut it back -- so I don't think this is new. This is something I've been talking about for quite some time.

>> Mayor Adler: The original motion was to take the 590 up to 840, saying that at least two navigator needed to be funded. Ms. Kitchen wants to amend that to say that one of those two navigators has to be assigned to the south. Is there a second to the kitchen amendment?

>> Just to clarify, we are changing it to that amount, but we're combining the two. That's how we're arriving at 8:40.

>> Mayor Adler: That's my understanding. That's what I did, 590 plus the 250, combining to get to 840, by providing that at least two of the navigators have to be funded out of the 840. Ms. Kitchen has offered an amendment to say that one of those navigators will be in the south. Is there a second to that amendment? Mayor pro tem seconds that amendment. Any discussion? Mr. Casar.

>> Casar:

>> Casar: We're getting near the end here so I'm trying to keep it simple on this. It was my understanding that there's a good chance without this amendment that one of them would go to the needs of south Austin. In my own community, I'm not saying it's my community that we should get it, but we've had meetings with APD and homeless folks that brought this item and idea up as well along with several others. And I am -- and it is not my goal to talk about where the need here is greater. It is my goal to say that we should fund these two navigators and they should go the places that these professional folks feel should work.

[7:48:14 PM]

And I just don't like setting up the precedent -- not even the precedent. I just don't like voting for something that is supposed to be helping these folks that are suffering in our community for us to be carving that up to different parts of the city because it puts -- it starts putting -- I feel in a position that I - to say, well, why shouldn't I put an amendment to make sure that one of them is in north central Austin? And I don't want to do that and so what I would prefer is to just -- to very respectfully not support this amendment.

>> Kitchen: Well, very respectfully, we have other items on this agenda that do that. We have a program at Mendez and burnet. We have other programs that are specific to different places. So I really, with all due respect, I am surprised that this is coming up at the very end to suggest that this would not be available identified as one of the areas where there's needs. And so I'm really surprised to hear that my colleagues are not going to support that and perhaps we won't get what we brought forward, brought this forward for.

>> Alter: Mayor?

>> Mayor Adler: Mayor pro tem.

>> Tovo: Mayor, just to clarify, I think the amendment achieves what is my understanding what was going to happen anyway because again that area was identified. So I think it's -- I think it's in keeping with what was identified as one of the highest needs, so I think in this case it is reasonable to provide that extra level of direction.

>> Mayor Adler: Any further discussion? We'll take a vote on the amendment. Those in favor of the amendment please raise your hand.

[7:50:18 PM]

Troxclair, mayor pro tem, Garza, kitchen, pool, alt. That's six people. It passes. The others voting no. We're now to the main motion to make this the 8:40, combine the two -- 840, combine the two, at least two navigators, one in the south. Any discussion? Those in favor please raise your hand? Those opposed? Were you opposed or just late raising your hand? Troxclair is opposed, the others voting aye. This item passes.

>> Houston: Mayor, could I ask a quick question of Mr. Van eenoo before we move to whatever the next issue is? Earlier today, this afternoon, you all sent an email about the quality of life bucket. Are these the things that we put in the \$900,000 or is this a duplication of some other things?

>> Houston: It was about 2:35 this afternoon.

>> I think that was our effort at the time and I didn't think -- I don't know we're still on pace with this, but initially the 1,709,999, that was a desire to maintain that level of funding for quality of life. That's

what we had funded in the current year that had gone away. At some point in time in these lengthy proceedings, I believe councilmember Casar brought forward a motion sheet that allocated some of those that included funding for a number of issues, including the millennium, immigrant resource center, immigrant services. Those were overlapping with that \$1.7 million, so a discussion ensued and we basically said we're going to net those things against the \$1.7 million, and then at some point it got reset to that \$900,000 on this spreadsheet, this quality of life tracking.

[7:52:22 PM]

Everything below the \$900,000 then, as council went through its various motions, were netted against that balance. At some point in time today we had 55,000 left and then in one of the motion sheets that line item got zeroed out. This is -- these are all the things that we currently have in the budget, I believe. At least at some point in time, that were funded for quality of life. I think with some of the amendments we just got these numbers maybe have gone up, but we would have to go back and update this sheet.

>> Houston: Okay. Because I thought in the quality of life bucket some of the after school programs would be there, but are they duplicated on this sheet or no?

>> They're not on the sheet we're looking at right now, but we could --

>> Houston: Well, they're on the sheet that I'm looking at.

>> They're on the current motion sheet. They're not on what I sent out earlier. We've not previously identified the aid items as being quality of life items.

>> Houston: Okay.

>> Mayor Adler: Okay. Ms. Troxclair?

>> Troxclair: Two quick things. Number one, I passed out an item earlier that had to do with local business marketing grant. This is one that I should have done during our hot conversation, but I wanted to make sure that we do provide this direction that of the funds we have now in the \$8.6 million that we are reallocating from the acvb and the convention center, so I want to move that we give direction that \$200,000 of those funds would be used to create a marketing grant with a third-party organization to be approved by council for marketing local businesses to tourists.

[7:54:34 PM]

This would be a grant from visit Austin to -- yes, within those funds that we approved earlier to the third-party entity. And we'll have to come back to council for approval. This was something that was included in the original -- I mean, in the original resolution that we passed a couple of weeks ago and I just want to make sure that we take budget action to make sure that the small business community is also taking care of in these changes.

>> Mayor Adler: This would come with the reallocation. We went from the 74 down to the -- 7.4 down to the 150. And this would then further adjust that, further reallocate that. I'll second it by Ms. Pool. Any discussion on this?

>> Alter: I just didn't hear the amount.

>> Troxclair: 200,000. I'll say in the resolution two weeks ago that number was 500,000, which is the amount that I would have liked to get but at this point we're -- we didn't get the full 15% that we wanted to in the historic preservation bucket, so at this point we're taking money from the already reduced historic preservation bucket and I think this is a more -- more commensurate amount considering that we didn't get to the full place that we want to be, but hopefully next year we can continue making progress on both of those goals.

>> Mayor Adler: Okay. Those in favor please raise your hand? Those opposed? It's unanimous on the dais.

>> Troxclair: And second I feel --

>> Mayor Adler: I have one thing that's of concern to me and it's the fair housing summit, number 29, where we said that \$40,000 would come from another place and the other place was the hot tax funding. And I'm not -- until the staff comes back I'm not sure that -- I can't be positive that that's going to be eligible for hot tax funding.

[7:56:40 PM]

So I would propose that we take that 40,000 and we move it into one-time funding with a budget direction that if it's eligible for hot tax funding we try to take the entire 75,000 out of hot tax funding, but if not then it has a funding source. We already know it's eligible for hot tax funding.

>> Mark ash Washington, assistant city manager. We talked with staff earlier because I believe since we were trying to have some of the programming for that progress at the convention center if the operating budget in the convention center could help offset some of the cost of the conference. And that is what we believe the \$40,000 would go.

>> Mayor Adler: So this has already been agreed --

>> I think we're comfortable with that based on what we've seen with the cost.

>> Mayor Adler: Then I'm okay with withdrawing my motion. Ms. Kitchen.

>> Kitchen: I have another budget rider. Is this an appropriate time.

>> Mayor Adler: Hang on. We'll go to Ms. Alter, it's her turn. Then we'll come back to you.

>> Alter: Thank you. This one does not affect the general fund balance. This is S 7 that would convert non-permanent positions in the fire department from temporary to permanent, these are non-sworn positions. The positions would be converted would be wildfire. One program coordinator, one forestry specialist and four forestry technicians. This is designed to help them to retain staff which helps to improve the ability to address the wildfire threat and I see this is solving a retention area for the non-sworn personnel.

[7:58:45 PM]

We did talk with chief Dodds from the department and the wildlife manager and it's my understanding that they were okay and comfortable with this movement if chief occur would like to comment on all, I would invite her to do so.

>> Thank you. These are currently temporary positions that are going to be converted into full-time permanent positions. And we're going to be able to manage the difference of the added benefits within our current budget and we do find a great need for that. One of those -- like councilmember says, is guess coordinator and that will help us -- is gis coordinator and that will help us very much in mapping and figuring where to do our fuel mitigation as well as during times of emergency help monitoring and help us determine where the fire is going.

>> Thank you. And it's my understanding that the wildfire division is going through a transition from having been a start-up to now to be a more permanent entity and this is part of that evolution.

>> You are correct. From a start-up to a very well recognized, respected program across the united States.

>> Alter: Thank you. So I would like to make that motion for -- to make those seven positions from temporary to permanent.

>> Mayor Adler: Is there a second to that motion? Ms. Houston seconds that motion. Any further discussion? Ms. Houston?

>> Houston: I'm sorry.

>> Mayor Adler: Those in favor please raise your hand? Those opposed? Unanimous on the dais. Ms. Houston?

>> Houston: I have a question for the city manager. In your budget an amount of money for the next city manager?

[8:00:49 PM]

>> I believe we left current salary in, but we did not increase it. Is that correct?

>> That's correct.

>> Houston: I would like to move that we add \$100,000 to the budget for the next city manager.

>> Mayor Adler: Is there a second to this motion? This is seconded by councilmember alter. This is something I'm in favor of. In fact, I listed it as one of my original things. I just don't know if it's something we need to do now or if it's something that we need to pick up at the first budget amendment that we do. We'll know a little bit more about the city manager, but I am certainly very supportive of increasing what we pay.

>> Houston: I'm not sure when the recommendations from the consultant firm who is going to come back, but at some point we're going to have to settle on in October or November seems a little far out to be saying this is what the salary is going to be. And we can't put in flexible or negotiated. At least that's what they've said. So if you think you can wait until we do our next budget amendment, if we have money left, then that's fine, but at the rate we're going we may not have \$100,000 left.

>> If I could just add that the funding that we have is that the current city manager funding level, but that's for a full year. You know, you're not going to hire this person on October 1st. It will probably be pretty late in the year before you hire the person, so the four-year salary at the current level may well be enough to get you through the remainder of the year and then you will have to analyze it in fiscal year 19. So you will probably be okay will be my guess.

>> Houston: Thank you for sharing that. Ms. Kitchen? I was just joking.

[8:02:50 PM]

>> Kitchen: I'll be really quick here. I passed out a budget direction related to the carryover of the item to address unmet safety needs at Umlauf garden. I won't go into detail. This is simply we passed it -- I talked about it at work session. It is the budgets riders that we -- it is the budget rider that we passed

last time to provide for -- it was instructions regarding funds to help support paying for flood damage and A.D.A. Requirements and other safety concerns. It's a carryover from the last budget because although some of the repairs were made during the last budget, they were not all. In other words, they weren't able to find all the dollars in the last budget. So I just want to carry this over to make sure that this is something that we are continuing with. It's already in the -- Umlauf itself is already in the amendment we already passed with regard to hot tax. It's possible that some of this might not be eligible for hot tax. And if it's not, I just want to keep this budget direction that we passed last time to look for dollars to pay for this out of the pard budget. So I move that we adopt this budget direction that continues the budget rider that we adopted last year.

>> Mayor Adler: Ms. Pool seconds it. So does this direct funding. So it's already part of the budget.

>> Kitchen: Yeah. There's no new dollars for this.

>> Mayor Adler: So why do we need the rider?

>> Kitchen: Because I want to capture what we did in last year. It just captures the importance and recognizes that these things that we need to fix these things and fund them.

[8:04:54 PM]

That's what we did last time. And the reason we did that is we didn't have any extra dollars to allocate for it, but we work with the pard staff to be sure and identify them so that they would get those dollars out of their own budget as they moved forward if they could. So we may not need this at all if we get the -- if they're eligible for hot tax, but if they're not I want to make sure it moves forward.

>> Mayor Adler: I'm just trying to figure out what ear doing.

>> Kitchen: It's a budget direction.

>> Mayor Adler: So is this directing money that parks had already planned to go somewhere else and we're redirecting?

>> Kitchen: No, I don't think we're redirecting it.

>> Mayor Adler: Can staff speak to this?

>> Kitchen: This continues the same kind of budget direction we had from last time.

>> Kimberly Mcneely, acting director for parks and recreation department. Last year when this was brought forward what the department committed to is when funds became available or if funds became available within our general fund budget or through our cip program that we would carefully consider how they could be allocated to the Umlauf. There have been no additional funds identified up to this

point. I believe we identified 175,000. Please don't quote me on that amount to be able to do some specific repairs. There's still another million dollars of -- half million dollars of renovations that's been desired, but there's been no funding for the repairs. But we'll continue to keep our commitment that as the funds become available to determine whether that's the highest and best use for them.

>> Kitchen: And y'all did do things on this last last year, so that was appreciated.

>> We were able to get a FEMA reimbursement.

>> Kitchen: This was flood damage to Umlauf, flood damage and safety issues that happened a number of years back from -- I think from the Halloween floods that we still haven't addressed completely.

[8:07:00 PM]

>> There are also A.D.A. Issues. There are some restroom other compliance issues that we're still working through.

>> Renteria: So this area is subject to flooding all the time? Are we looking at preventing the flooding from happening again?

>> We're looking at making repairs to a space that was flooded, a retaining wall to make it -- and again, that was part of a FEMA reimbursement to make that retaining wall stronger and more -- less susceptible to future damage, but we can only do the best that we can do structurally. I could not guarantee that those repairs will mitigate any flood damage in the future, but we'll do our best to repair it in a way that will lessen the blow in a future.

>> Renteria: I would sure hope so because that is a low lying area right on the bottom after hill. And if we're going to be continuing putting money on for repairs on a flood, we really need to look at the problem itself. So I hope that's the first item that you take care of.

>> It's already in progress.

>> Renteria: Thank you.

>> Mayor Adler: Any objection to this being done? Ms. Alter?

>> Alter: I don't object. I would just like to include to consider the hot money that we just allocated. I didn't hear that as part of what you mentioned as the funding streams. This seems to me the exact kind of project that we could be -- I apologize I didn't --

>> Kitchen: That's okay. The motion that we passed, it's listed in it.

>> Alter: I didn't see that motion.

>> Mayor Adler: That passes. Council, I've handed out a quality of life rider that has revised in pencil in the upper right-hand corner. This is consistent with what had been posted a week or so ago. It is not directive, it acts for the equity office to take a look at process and then come back to us, although it does set out as what we said one illustration as one -- as one such idea as expressed below for illustration only as one possible process.

[8:09:17 PM]

Everything after that is just the proposal. That came from the quality of life commissions. But basically it says that many of us express a desire that we do more to align our spending with equity. We like the quality of life recommendations to be early enough to be part of the budget if the manager so chooses. We're hoping to get to recurring dollars. Equity and quality of life funding recognize the current budget process, one need to do better. And that we want to have a different process. And then it proceeds that the -- that one possible way for how this could be implemented consistent with what the commissions had proposed. Is there a second to this? Mr. Renteria seconds this. Any discussion? Yes, mayor pro tem?

>> Tovo: Mayor, I appreciate the work you've put in thinking this issue through and I think this is a great direction. What will -- what will the next step be? There are, as you and I discussed briefly, I think there are conversations to be had here about the administration would be and what the Gonzales could look like and how that could be structured so I would like for there to be conversation around those issues. How do you see moving forward? Are we asking staff to develop ideas? Are you going to bring this forward as a subsequent resolution to work out some of these conversations?

>> Mayor Adler: Probably I would give it to staff and ask the equality office. This was part of the additional fte in the equity office and we asked that one of the things that the office do is take a look at this whole process and come back to us with a recommendation.

>> Tovo: Great, thanks. You know, as I shared with you, it seems like some of the recommendations that come forward would benefit from cultural arts expertise, some would benefit public health expertise and so I hope that the conversation about where that lives and who is involved in the decisions can be broad enough or can divide off based on -- I don't know exactly how that could work out, but I do think not all of the recommendations that come are the same kinds of recommendations.

[8:11:28 PM]

And they require different expertise in evaluating. And so I hope the process will take that into account and make sure that we've got four different kinds of recommendations, the appropriate staff involved.

>> Mayor Adler: Okay. Mr. Casar?

>> Casar: I -- I'm fine with this. I think that -- I have some level of concern about sort of writing too much of the job description for this person. It looks like it is a significant amount of work. And one real need described to us by the equity office was not just working with our community leaders inside of city hall, but also our community leaders outside of city hall, I see here in the first sentence you talk about community organizing need, but I just worry that with two pages' worth of direction it sounds too much like their whole job description would be about being in here when there's so many folks that need to be talked to that are out there. We all unfortunately only get to a point, one commissioner to some of these quality of life commissioners, one commissioner to the needs of immigrants. We only get to pick one person, but there's so many other people that should be talked to out there, and the equity office really expresses strong desire to do that. So I would ask that there just be a friendly addition here that next to the words community organizing that the words be added to say -- so we would be organizing with leaders appointed by council as well as those out in the community with instructions to do this.

>> Mayor Adler: That's fine.

>> Casar: So we're talking about providing that -- the clear intent that we just don't want the person holed up here.

>> Mayor Adler: Absolutely not. And this didn't mean to be most of the work and it didn't mean to be job description.

[8:13:31 PM]

The quality of life of what one possible process might be. But I would certainly hope that they would confer with leaders we appoint and leaders in the community. So I don't have any problem with that being included in the stakeholder group. Yes, mayor pro tem?

>> Tovo: Mayor, I'm a little confused about this because there's a dollar amount on it. Is this budget rider providing direction for the additional staff member that we added into the base budget.

>> Mayor Adler: Yes.

>> Tovo: It's not adding an additional 100,000?

>> Mayor Adler: No. It's just saying -- this is now my third year in a row dealing with the same issues, we're trying to find just another way to deal with it.

>> Tovo: And again, I appreciate the intent and the time you've spent into thinking through some ideas that could be considered as that staff person in combination with community members works out a good process.

>> Mayor Adler: Yes?

>> At the risk of opening a can of worms, I wanted you you to know that I spoke with Mr. Washington earlier that came back with that we talked about before, with respect to parsing out the portion that would be the equity contract. For doing equity study. It's my understanding that it would be something that wanted to do that, we could open up that and there would be another 50,000 for the equity office. It would be one-time unless we reallocated something else. Just wanted to provide that information in case it's --

>> Mayor Adler: Help me understand what you said.

>> Alter: The other day I was asking about a consulting contract that was nearly a million dollars for human resources and we divided that contract into two parts and a piece of that was studies that they were doing and we have identified that there is \$50,000 of the equity study that they feel doesn't need to be done every year.

[8:15:37 PM]

And that might be legitimately put into the equity office, if we wanted to go there. But if the council doesn't want to go there, we don't need to have that discussion. Also something that we could potentially discuss at a budget amendment depending on the timing of that.

>> Mayor Adler: I was hoping that we could stay with this budget, I would say pick it up at this budget amendment.

>> Let's vote on this budget amendment. Those in favor please raise your hand. Those opposed? Troxclair abstains, others voting aye. Anything else? Yes, Ms. Troxclair? >>

>> Troxclair: Did you say at the beginning that we are still \$30,000 in the red?

>> Yes.

>> Troxclair: Okay. So I would like to propose the new item that was just added a couple of hours ago that \$155,000 to the Asian American health navigators to take those funds and apply \$30,000 to make us whole and the rest to Ada compliant playgrounds. And my -- well, I guess if I get a second I can explain my reasoning.

>> Mayor Adler: Okay. I'm sorry, say it again, please, I'm sorry.

>> Troxclair: Okay. My motion is to strike the \$155,000 that was added an hour or two ago for the Asian American health navigators and apply 30,000 to make us whole with the budget right now because we're in the red \$30,000. And apply the remaining \$125,000 to Ada compliant parks so that we have places where kids with disabilities can play. If I get a second, I will explain further.

>> Mayor Adler: Is there a second to this?

>> I'll second for conversation.

[8:17:37 PM]

>> Mayor Adler: It's been seconded.

>> Troxclair: So, you know, I know that these were all hard choices, but this item was something that was just added a couple of hours ago. We've done -- we've put a lot already in the budget based on recommendations from the Asian American quality of life commission and it looks like we have added \$200,000 to the Asian man American resource center master plan, we have added \$80,000 for translation services and we've also added some money for funding for the greater Austin Asian chamber of commerce. I think all of those -- considering that they were on our priority list earlier, not just yesterday, but earlier in our conversations and they -- they -- that they are a higher priority than the -- this item that was added just late today and to me, you know, our parks not having parks where kids with disabilities can play is just -- just not acceptable. And I think we need to do what we can to put money towards that -- towards that purpose and if we add \$125,000 to the \$50,000 that we have already allocated there, that should give the parks department almost enough money to -- to completely bring up to -- well, two parks into Ada compliance.

>> Mayor Adler: Moved and seconded any further discussion? Ms. Houston?

>> Houston: Thank you for that creative look at what's happened. I'm not going to be able to support the motion because the Asian quality of life commission did not, in fact, rank any of their recommendations and as it turned out the chamber and the navigators were the most important but the navigators were more important -- not more important, but -- but to the community, had more importance for folks to go into the community and help people get signed up for not only healthcare, but social security and answer questions and help direct resources.

[8:19:55 PM]

That's why I'm going to have to support the navigators staying online.

>> Troxclair: I would be open to discussions about if anybody else has ideas about number one, how we can bring up our \$30,000 deficit, which I think is important that we do. I think there's a difference between setting aside money for the pay for success program with a commitment to not spend it and actually spending 30,000 out of our -- below our reserve level. And, number two, finding ways to

increase that Ada park spending. I know, you know, we added \$580,000 to this budget earlier and I just, if anybody else has any other ideas, that -- I would love to hear them. That was the one that I could come up with.

>> Mr. Casar.

>> Casar: I have an idea. Of that 580, 50 of that was to the Ada playgrounds. I think another 50 is right in order to get us to a playground. So at the request by councilmember troxclair, I do have one idea which is when the vote was taken for the tax reduction with the one-time funds, the motion, I think at first was to -- at least my understanding was a lot of people's intentions or thoughts around the motion was to sweep the balance. But instead 420 was swept. If the balance was swept that would have been 370. If I remember. Which -- which would be enough to cover that playground and hopefully pull us out of the hole because that's kind of what created the -- a portion of the hole. Or I would be open to maybe \$20,000 to close the hole. But I think we -- so anyways I'm -- I just put that out there.

[8:21:59 PM]

>> Mayor Adler: I think that we're effectively at zero right now. I wouldn't object to moving 50 into the parks in order to be able to do that. I would just do that. If we increase that to 50, does that throw off our effective at zero balance? Would you want us to make an adjustment for that?

>> Not at \$50,000. But I mean at some point in time, if you want to -- this is a slippery slope that I'm talking about that I will have to get out my calculator and decide when do we go from 11.9 to 11.8.

>> Mayor Adler: I would suggest instead that we add \$50,000 to bring the parks up. I think a lot of people came down today that they thought that the navigation item that was already on the agenda was a different navigation item and this was their highest priority and I don't think we should mess with that. But Ms. Troxclair's motion is on the table. If it's defeated then I will move that we add 50,000 to the parks. To the Ada playgrounds. Let's vote on Ms. Troxclair's motion. Those in favor please raise your hand. Those opposed. Everyone else other than Ms. Troxclair, abstaining alter. I propose we add \$50,000 to the Ada playgrounds. Seconded by Ms. Pool. Any discussion?

>> Out of our reserve funds?

>> Mayor Adler: Effectively we have a zero budget according to our financial person. It's beyond rounding error. Moved and seconded. Yes?

>> Houston: I'm sorry, mayor, we're all tired and you're rushing us.

>> Mayor Adler: I'm sorry.

>> Houst: So where does the \$50,000 come from? I think is what my question is. Because -- because if we're at zero, then it's got to come from someplace.

>> Mayor Adler: It adds to the -- the bottom line number, but what Mr. Vanedo said it doesn't necessarily have to be zero.

[8:24:13 PM]

It is such a rounding error on a \$4 billion budget that the time we'll spend trying to get to zero is not worth the effort that it's a rounding error issue, so long as we are within that threshold and he indicated that we were. .>> Houston: So what I heard councilmember Casar say is that he would be willing to move -- move some money from some item, which I didn't hear, that would be able to go toward funding the Ada compliant playgrounds. Did I hear that?

>> Mayor Adler: He was proposing to diminish the tax savings.

>> Houston: Oh, diminish the tax savings. Oh. No.

>> Mayor Adler: Okay. It's been moved and seconded to add 50 to the parks. Any discussion, Ms. Troxclair?

>> Mr. Vaneno, did I remember correctly from yesterday that there is a \$6,000 increase in each one of our council budgets for travel and a \$10,000 increase in the mayor's budget for travel?

>> That's correct.

>> Troxclair: So that would get us to \$70,000?

>> Yes.

>> Troxclair: So if -- I don't know is there a motion on the table.

>> Mayor Adler: Yes, there is.

>> Troxclair: If that motion fails, I do not need an extra \$6,000 in travel budget for my office and I certainly think that I do think this Ada compliant programs is a higher priority. I would make a motion to take that \$6,000, cut it from our budget, apply whatever we need to to make the budget hole, the \$30,000 and the remainder to parks for Ada compliant playgrounds.

>> Mayor Adler: Okay. We'll come back to you with that motion. Let's take a vote on this one. We are voting on adding \$50,000 to the Ada playground item. Moved and seconded. Take a vote.

[8:26:14 PM]

Those in favor please raise your hand. \$50,000. To the parks. Those opposed.

>> Troxclair: 50,000 from our reserve funds?

>> Mayor Adler: \$50,000 from the reserve fund. At this point, it adds \$50,000 to our -- to our page. Just like the other things that we add to our page. I'm proposing that we add \$50,000 for the Ada parks.

>> Tovo: May I ask a quick question. We are at negative 30. We would be adding another 50, we would be at negative 80. It's been said a couple of times that that is an insignificant amount, but it's been a while since I've heard you say it. Is that -- do you still feel that way?

>> Yes. I think that you just took the vote to add \$50,000. So I think the way that I would look at it now. Just like the mayor said, you took another vote to add \$50,000 to Ada that's another \$100,000. In your one-time column it's negative 92,585. Hypothetically round numbers if your over all general reserve funds were \$120 million, now they're 119 million, you know, 900 some thousand dollars. You're still going to be at the 11.9%. So, you know, the ongoing column, I would be a little bit more persnickety about. But in the ongoing column you have an \$11,000 surplus. You are basically balanced there. In the black. That one-time column you are heading down that slippery slope now, though, you have your reserve levels. You are at 11.9. I think it would be great if we keep it at 11.9 not slip down to 11.8. It's not enough to move the needle 10%.

>> Mayor Adler: I didn't call the names. Those in favor please raise your hand. Those opposed. Houston votes no.

[8:28:15 PM]

\$50,000 more for Ada playgrounds.

>> I thought we already did that.

>> Mayor Adler: I never called the vote. We have gotten to this place several times. Exactly the same place several times. Those in favor please raise your hand. Those opposed, \$50,000 for parks. Those opposed, abstaining.

>> Houston: I'm sorry, I voted wrong, it's late. I'm voting no.

>> Mayor Adler: Houston votes no. Troxclair votes no. The others voting aye. That passes. Back up to the dais. Ms. Troxclair?

>> Troxclair: As I just explained, we have \$70,000 -- we're in the hole about \$80,000 now. And we can make our budget whole by choosing to forego a \$6,000 increase in each one of our council's travel budget. I don't know -- I certainly, I mean, we have the ability to spend any amount of money within our own budgets on travel. I certainly don't have an increased need of \$6,000 next year to -- to travel. And I think the bigger priority is putting that money towards parks and making our budget whole. So my motion is to strike the \$6,000 increase from each of the council budgets and the \$10,000 increase from the mayor's budget in order to fund the 30,000 -- the parks item that we just passed and the remaining negative balance in our budget.

>> Mayor Adler: I would urge the council -- first, is there a second to this? Okay. Dies for -- are you seconding it? Councilmember alter seconds it. I would recommend that you not adopt this. I think that as a council the more that the council offices go out and participate in the national league of cities or conventions or workshops, the better off the city is.

[8:30:19 PM]

And I will tell you, again, that I exceed this. Pay for my travel and -- I pay for my travel and it's a bad policy, I think, to do this Renteria I just want to let my colleagues know that I gave \$10,000 of my money to [indiscernible] Park. I gave \$17,000 to south Austin park, recreation park for their needs. I would prefer to go ahead and just decide how I want to spend my office money because I'm -- I have a lot of needs in my neighborhood, my district that people have come and talked to me about. I know if I put that money in the park, it not going to go into my area. It's going to be used the whole city-wide. I prefer to handle my budget money the way I would like to handle it.

>> Mayor Adler: Any further discussion? Councilmember Garza.

>> Garza: I want to add while this was intended forful tra, I never use my travel budget -- for travel, I never use my travel budget. It's 6,000 more in the budget. At my town halls I have translation services there every time, it gets expensive. We provide refreshments. I'm sure other people do the same thing. This is not me wanting to travel me. This is me wanting me to provide better constituent services.

>> Mayor Adler: Okay. Are we ready to take a vote, Mr. Flannigan? Franchise I feel it necessary to add for my district, I maintain a field office. I'm the only district that does that. But I'm also the district that is farthest from city hall and farthest from the majority of the meetings held. What my office budget pays to maintain that office that none of the other districts allocate towards is greater than even the \$6,000. Even though we try to do it as fiscally responsibly as possible. So this -- this is important for constituent services because as councilmember Garza said, we can apply these funds in a way that is relevant to our districts.

[8:32:25 PM]

>> Mayor Adler: Are we ready to take a vote.

>> Tovo: Technically, I have a field office, too. Here in city hall.

[Laughter].

>> Mayor Adler: Those in favor of this item, please raise your hand --

>> Mayor? Sorry. I just feel like I have to respond and say that I have given \$30,000 plus out of my office budget to parks in my district every single year, we work really hard to save that money and if this is how we're going to allocate our parks, then we should just increase each of our council offices by a million dollars. I mean, this is not -- this is not -- we do not fund our parks -- we do not fund our parks by increasing our own office budgets. So I don't understand this argument. I'm going to continue to save the money that I can and put it towards projects in the district because the council hasn't chosen to -- to tighten our office budgets. But I just had to respond to that. To that comment. Okay. Thanks.

>> Mayor Adler: Those in favor of this item please raise your hand?

>> Houston: Want to talk -- okay. You know it's really interesting because most people do, in fact, give a lot of their office money to parks and recreation. That says something, I think, about how we budget for the parks department. And it also says something about how much we care about the parks department. And I agree with councilmember troxclair that giving money out of our budgets to sustain our repair or to do something for parks is probably not the best way to do that because the next person that sit in our seats may not have that affinity for the parks department. So if there was some way to ensure that the parks got what they needed, then we could probably do some other things. But, you know, sometimes I'm giving 14, \$15,000 to parks department to make sure something in their facilities are safe and clean and attractive.

[8:34:29 PM]

So I think that's something to think about. Because I have heard now four people say that we give a lot of our money to not only parks, but to ensure that -- that the constituents that we reach out to at town hall meetings get the stuff that they need.

>> Mayor Adler: Thank you. Does anyone -- anyone else like to talk? Then let's take a vote. Those in favor of this item please raise your hand. Troxclair. And alter.

>> [Indiscernible].

>> Mayor Adler: And Houston. Those opposed please raise your hand. Balance on the dais, it's defeated. Anything else? Yes, Ms. Pool?

>> Pool: I'm going to circle back around to the cultural arts fund ending balance and item C 29 that would open -- that would allow longer hours at some of our cultural facilities, so that different arts groups, be they musicians or theater groups or whatever, would have a -- would have additional venues that they might be able to perform in. Recognizing that -- that there isn't agreement on whether the cultural arts fund ending balance is available for this. My council direction would be to the city manager to explore budget item C 29 further as a priority and return to council with more information about funding it through the cultural arts fund ending balance, if that is an eligible source of funding or other appropriate sources during the budget amendment process. So this simply adds this to the list of request for additional research for our staff.

>> Mayor Adler: I'll second that.

[8:36:32 PM]

>> Thank you.

>> Mayor Adler: Discussion.

>> Yeah, I'm wondering if Mr. Johns is still here? My staff had talked with you and I understand there's a \$300,000 balance above the reserves in the cultural arts fund, is that correct?

>> Good evening,

[indiscernible], assistant director, that is correct.

>> So there is money in this fund. Is there any reason that we have to wait on funding this?

>> We have talked with parks and recreation and we would want to ensure that the program follows the proper state guidelines in terms of if there is an evening event or hours that it's just not open. It has to drive toward an event that is marketed to conventioners, tours, just like our cultural arts fund. So we need to work out a process and procedure to document that.

>> Okay. That's fine. But it does seem like there's -- that the money is there so this will be effectively funded, we just have to work out the process.

>> The process of documentation. Yes. We have consulted with --

>> Mayor Adler: Okay. Any objection to this? Hearing none, it's added. Ms. Pool? Ms. Kitchen?

>> Kitchen: I just had a question. I had a question on the -- on the document that was passed out and I think it's line 47. And it's the item that we passed earlier about equalizing the funding for the chambers. The language here, I think it doesn't reflect the other part of what we adopted, if I'm understanding correctly. We also said that we would look at the funding to aiba as part of that. So I just wanted to make sure that this line reflected that full direction.

>> Mayor Adler: Yes, we added that.

>> Kitchen: So if we could just make sure.

[8:38:34 PM]

Then the other question -- does that make sense, Mr. Van eenoo?

>> Could you repeat it to make sure?

>> Kitchen: This is line 47. The language that you have says equalize the funding of the --

>> Mayor Adler: 46.

>> Kitchen: I think it's 47. Isn't it line 47? Anyway. You found it. It says equalize the funding of the chambers, I'm not sure what the rest of the line says, but --

>> Says equalize the funding of the [indiscernible] Chamber of commerce.

>> Kitchen: I don't know the exact wording councilmember alter used but it should also say the small business chamber.

>> Mayor Adler: It wasn't necessarily equalize, it was equitable -- how to meet equitable funding for them. Which may be equal, but may not be. And based on metrics.

>> So then just one other quick question. Maybe I don't need to be concerned about this particular document. Because I don't know if -- if this is what we're adopting because there's -- there's a couple of our budget riders that are north

-- that are not on here but they don't impact the dollar amount. I don't know if they need to be reflected on here or not.

>> This is not the official document. We have the budget riders, we have this, we will coordinate with the city clerk on a final version of everything that was approved today. It will capture all of your budget rider, all of these amendments.

>> Kitchen: Okay, great, thank you.

>> Mayor Adler: Mr. Flannigan? Franchise councilmember kitchen in addition to that we did pass the -- what councilmember troxclair put fort in addition to no dollar amount assigned to the equalizing rider.

>> Kitchen: That's correct franchise okay.

>> Mayor Adler: Yes?

>> Alter: I just wanted to state that I had items that had to do with the

[8:40:38 PM]

[indiscernible] That I will postpone until we have the discussion about the 51 positions so that was a small business ombudsperson, Ms. Houston had the neighborhood navigators and I was thinking Ms. Garza's on waving fees for the

[indiscernible] Partially development services fee related item that we might also bring up. When we come back to that. I just -- I just wanted come confirm that would be the appropriate steps since we have taken that --

>> Mayor Adler: I think so. That's when all of those issues will be coming up. Councilmember kitchen.

>> Kitchen: Are we going to create a list right now. I had some earlier in the day that I brought forward, too, to bring forward as a budget amendment. I don't know how you want to do that.

>> Mayor Adler: I don't think we need to do that today, but I think we should get that list going and --

>> Kitchen: Maybe we can ask the staff as part of putting together everything that we did today at various times during the day, a number of us indicated that we wanted to bring certain items forward as part of the budget amendment process. So perhaps we could get a list.

>> Mayor Adler: Yeah. I think the staff could say the things that they remembered. But I think it's incumbent upon each of us to try to remember the things that we brought up as well. I have handed out --

>> Kitchen: I think we need a document that does that. And so -- okay. And then we can just double check that.

>> Mayor Adler: Sounds good Renteria mayor, if the budget riders are -- the time -- the deadline is today or can we come up with --

>> Mayor Adler: We can come up with others, other than today. I handed out a budget rider with respect to the workforce development training. Remember, we -- people wanted to see a rider with

that. Of. This, I understand, tracks what Travis county has in their workforce development, similar to that.

[8:42:41 PM]

So that it -- so that it speaks to -- to elements we want. Talks about the -- about the outcomes. For low-income residents. Also have to -- to talk about long-term engagement to approve education, marketing, training and focus on occupations in high demand areas with jobs that have -- with a living wage. Talking about outcomes. Talking about showing gains in time periods. It talks about having -- having a -- a third-party reviews of the work that they do. Councilmember alter?

>> Alter: I would like to second that, but also to correct the amounts to reflect what's in the new sheet.

>> Mayor Adler: Okay.

>> Alter: Because these are below that.

>> Mayor Adler: Okay. Seconded by councilmember alter and -- and we'll let staff fill in whatever the appropriate dollar amount is.

>> Alter: I think it was 105,000 of one-time and 214,200 of other.

>> Mayor Adler: 105 and 214?

>> 200.

>> Mayor Adler: 105 general fund and 214 general fund.

>> 214,200.

>> Mayor Adler: Got it. Moved and seconded. Any discussion on this?

>> Alter: If the amount is already in the sheet, he's just doing a budget rider for under --

>> Mayor Adler: This is not adopting any more money. Just says the workforce development we set the criteria -- some expectation.

>> Alter: His number doesn't reflect the amount that was amended earlier when we did the --

>> Mayor Adler: Okay. Any objection?

>> Houston: Is this available to anyone who meets this criteria?

>> Mayor Adler: Anybody who can meet the criteria? Any objection to this being entered. This is entered.

[8:44:42 PM]

Anything else? Mount? Ms. Houston?

>> Houston: When we come back after the collective bargaining time is that the time that I should bring up the unfunded police officers.

>> Mayor Adler: Yes.

>> Houston: Okay. Just wanted to let people know.

>> Mayor Adler: Yes. Anything else? We ready to take a vote on the budget? Yes, everyone is ready but Greg.

>> Casar: My, everyone. So I -- hi, everyone. Are fees later? Shall we pass the general fund first?

>> Mayor Adler: Yes, unless the fee thing is going to relate to a general fund issue. Anything else on general fund? It's already in front of us. We have the general. It's been moved, it's now been extensively amended.

>> Houston: With we have the dollar amount -- can we have the dollar amount before we vote? Can we have the dollar amount before we vote?

>> Mayor Adler: So we're at effective zero, but the actual numbers are ongoing.

>> You would have to wait if you want to know what the actual dollar amount of the general fund budget is because right now the way we're tracking this is pluses and mines against both revenues and expenditures. We would have to go through and --

>> Mayor Adler: Are you confident we'll still in the range that we're effectively at zero balance.

>> The budget is balanced. You've made a number of additions and subtractions. It's started balanced and you are balanced again although you are taking a hit to your reserve levels.

[8:46:49 PM]

>> Mayor Adler: Okay.

>> Houston: And I -- and I disagree that that's what they're there for. I think they're there for times of crisis and trouble, and when we first started this process one of my recommendations was to put more

money into the reserve because as the sales tax continue to decline and we have no idea what's going to happen at the federal level. We're going to be very vulnerable if things occur at the federal level and we're asked to pick up some additional funding. And we don't have any, what do you call it? We have no margin. Thank you. And so I'm very concerned about that. Because -- first of all, I want to thank the staff for finding \$5 million for us to be able to put in our strategic priorities in, but it does concern me that we did not save any of that money for a rainy day.

>> Mayor Adler: And Ms. Houston, I had listed on -- on my recommendation to the dais when we did this a week ago in terms of the items that I thought were appropriate for us to pick up when we did those budget amendments. And I had budget reserves in that. And I would join new taking a look at those reserves and equalizing those when we get that next round of funding. Okay. So we're now ready to vote on item number 1, approve an ordinance adopting the city's budget as amended. The law requires this to be a record vote. Will the clerk please call the roll so each of us can state our vote. >>

>> Mayor Adler.

>> Yes.

>> Mayor pro tem tovo.

>> Yes.

>> Councilmember troxclair?

>> Troxclair: No.

>> Councilmember Garza?

>> Garza: Yes.

>> Councilmember Casar.

>> Yes.

[8:48:50 PM]

>> Councilmember Flannigan.

>> No.

>> Councilmember Renteria.

>> Yes.

>> Councilmember kitchen.

>> Yes.

>> Councilmember Houston,.

>> No.

>> Councilmember alter.

>> Yes.

>> Mayor Adler: The budget passes 8-3. We now take up item number 2, an ordinance authorizing fees, fines and other charges to be set or charged by the city for fiscal year 2017-2018. Staff has a presentation or a recommended fees with amendments. Fees, fines or other charges and amendments.

>> Yes. Mayor, we're just going to roll through some amendments. The amendments staff would offer to the fee schedule. Two of these handouts I gave you back on Monday to give you plenty of time to look at them. The first is a variety of amendments to Austin energy's tariffs to reflect the lower power supply adjustment, again, which will reduce the typical ratepayer cost. The second was a handout for a variety of corrections to our fee schedule. We gave you a two page strikeout under line of those pages. We would be prepared to answer questions to those if you had any. The third item has to do with the smart growth program which we've talked about stopping that program that's \$600,000 less of general fund subsidy for development services costs. So this is to make the correction in the fee schedule. And then finally we're adding this language to make additional amendments to the fee schedule to align with any of the council actions that you took over the last three days in adopting your fiscal year 2017-18 operating budget amendment. So for example, the changes you made to development services department to reduce the 51 positions, we're going to go into the fee schedule and make a whole bunch of fee schedules to align with that change.

[8:50:57 PM]

Another one you did is in Austin resource recovery you removed the 85-cent increase so we'll go into the fee schedule and make that change. Those are two that come to mind, but any other changes you took in adopting budget that require fee changes we're going to go ahead and make sure everything is in alignment. So that's what staff would offer as our amendments to the fees that are listed in your proposed budget document.

>> Mayor Adler: Okay. Is there a motion to adopt the staff recommended amendments to item number 2? Ms. Pool makes that motion. Is there a second to that motion? Ms. Garza seconds that. Discussion? Ms. Alter.

>> Alter: I just wanted to clarify for the Austin resource recovery the expected fee change is now zero, is that correct?

>> That is correct.

>> Alter: Okay, thank you.

>> Mayor Adler: Anything else on this?

>> Casar: Is this the appropriate -- is this where -- this is the enterprise funds? Or is this Austin energy?

>> If there's any further changes of fees, this would be the time to offer it.

>> Mayor Adler: This is everything at this point.

>> Casar: Okay. I would like to make a motion to amend the clean community fee. The clean community fee is going up for the code department by 90 cents. I was trying to talk as much about this with director Wright as possible before this, but we might have to work on it a little bit. The clean community fee is going up 90 cents in the code department budget with over two dozen positions, I think it's 26 positions. My motion is to have the repeat offender program positions, which I think are just key operational positions just be funded through existing staffing because I think this should be a core part of the program.

[8:53:12 PM]

So to bring these repeat offender program officers on by transitioning existing staff since those are the most dangerous repeat offender properties, that is \$357,000 in savings, and my motion is for 230,000 of that to go to fee reduction and 125,000 of that to go to the residents advocacy project, which is the work being done with this fee to help tenants have legal representation to deal with nuisance abatement and these building issues. So ultimately my rough back of the napkin math is that that reduces the fee per month to our residents by about five cents. And still leaves the code department with about two dozen new staff, but does provide about as much relief as the other vote that was taken earlier today. That's my motion.

>> Mayor Adler: Seconded by councilmember Renteria. Does code want to come speak to this? Thank you.

>> Thank you and good evening. Cora Wright, interim director for the code department. There are just a couple of things I wanted to share with the council regarding the 90 cents increase in the clean community fee. I wanted to really lay out a couple of points. One, generally speaking I do understand and certainly does the department understand that when we're looking at the repeat offender program we are looking at properties that are in substandard conditions and in many cases have been

deteriorating over many years. The point I want to share with mayor and council is the fact that because we are compelled as a code department to respond to all violations that are driven by the codes that are set, it is very difficult and it would not be a responsible thing on my part to suggest that we would increase one area of response to the code while decreasing another.

[8:55:37 PM]

And so because each of the codes are written to ensure that we are protecting minimum health and safety and the fact that when we get a complaint in -- and by the way, we get 25,400 complaints every year that we're having to deal with -- that it would be very difficult to screen upfront a reduction of other codes to simply respond to one particular area. I would like to walk you through what that 90 cents looks like because I don't think we've had that opportunity to have that conversation. The 90 cents really represents 46 cents in major cost drivers, so when you subtract that out, that's a given. The closing the gap, which includes, councilmember Casar, the repeat offender program, the short-term rental, also our special events overtime and the financial support, that is only about 23 cents. And then when you look at the new investments, which if we made any changes it might be in that area, where we had proposed to expand our ability to respond to the well over close to 26,000 complaints a year, the weekend and evening enforcement which is so desperately needed, and then also the enhanced customer service, the idea there being that we would be able to educate the community upfront so that the number of complaints would reduce at the front door and we would be able to follow through with the cases that we do our day-to-day services with and the city-owned property. So those new enhancements are only 21 cents. If we made any change I would suggest that we look at the new enhancements rather than borrowing Peter, if you will, to help out in another area.

[8:57:38 PM]

And the reason I say that is for all of the inspectors who are not working repeat offender program or who are not working short-term rental, they're in the neighborhoods. And those caseloads are equally around 400 or so per inspector. So if we did a shifting, if you will, that simply would mean that there would be a void in other areas. We could talk a little bit about new investments if you want to consider that.

>> Alter: Mr. Casar, could you explain again what you're proposing? Because we didn't see it before and I didn't follow your quick explanation. I would appreciate understanding it better.

>> Casar: And I had brought this up during the presentation on code at a work session and I was a little bit inarticulate about it. I'll try to do better this time. I really respect and appreciate director Wright's

leadership, new leadership of the department. And do support providing some significant increase in resources here. The motion that I've made is to instead of add \$357,000 for four positions for the repeat offender program, it is instead for those positions to be funded from our existing code inspectors because I think that that is some of the most core work that needs to be done. And while I recognize that the code needs to be enforced and that when we write the law we don't say that we're enforcing some parts of the property code and not others, ultimately there is -- has to be some level of prioritization of resources just because just like in any agency we can't get to them the moment they call. So there are four positions here for things like short-term rentals or repeat offenders and I believe the repeat offender problem is so core to the very first priority mission that it should just be funded out of our existing funds rather than having to add fees to do that work.

[8:59:53 PM]

So to do that instead of axing repeat offender positions because that's not the message I'm trying to send. I'm trying to send -- this is on so important that it should -- our existing resources should be sent to prioritize that area if we want to see improved results in that area. So this budget proposal does say will improve results in the repeat offender area and I still want to get those results. And ultimately that means, yes, that in other areas we wouldn't stop enforcing the code, but this would be prioritized. So I'm removing the 357,000 not by eliminating those positions, but by moving those positions into our regular inspectors and then of that 357,000 in savings, I am putting 230,000 of it to reducing the fee and 125,000 of it to concept item H 27, the residents advocacy project at half funding. So it was a 250,000-dollar request to help tenants with building nuisance issues, through a competitive process with non-profits in the community, but instead of putting 250,000 to it, I put 125. So that 357 is split between 125 for item H 27 and the remainder reduction of the fee. My math, which I'll have the budget office confirm for me, is that results in about a five cent a month reduction for our residents. And I recognize the point brought forward by director Wright and I do not intend -- and ultimately if the code department has to come and tell us, this is ultimately how we're prioritizing these resource and these are some things that may take us a little longtory get to, that's okay with me because I think the substandard buildings that are in dangerous standards really do need the highest level of attention.

[9:01:58 PM]

>> Mayor Adler: Mayor pro tem?

>> Tovo: So it sounds like one way to look at this proposal is how many -- director Wright, how many code inspectors do you have that are not designated to a particular purpose, but just general?

>> One second.

>> We have if you will a total of about 64 boots on the ground. So with the repeat offender program we have only three. For the short-term rental we have two inspectors. The other two are involved in the license and registration aspect of the program. So that's --

>> Tovo: So so far five are designated to specific purposes and there may be some others. I think there's one designated for boarding home inspection.

>> The short way to look at that is the remainder of that number are in our various neighborhoods across the city.

>> Tovo: So as I understand the proposal -- one way of looking at the proposal is that councilmember Casar, in essence, you're proposing that four of those generally focused ftes within the code department would convert to being repeat offender program and would no longer be generalists. And I can support that. I think I share with you a real concern about our substandard properties. So I believe the increased focus in the repeat offender program is extremely necessary, but I would like to accomplish that with our existing resources rather than increasing the fee. I will say that I've given -- I have heard a lot of concerns about the increase in fee and while there certainly is an understanding that there are increased needs in the city, it is a fee that hits hard our renters as well as our property owners because it happens on the utility fee and so that additional 90 cents per month really does -- that additional 90 cents does add up.

[9:04:04 PM]

So again, that's how I understand it. Is that consistent with your vision?

>> That's right. So the repeat offender program would go from three people to seven people without a fee increase for those people.

>> Tovo: Great. And our generalists would decrease slightly by four.

>> Casar: Would decrease by four.

>> I would like to add a couple of comments just for consideration. One of the things we're proposing as an enhancement was to create that code education aspect of the program, if you will, and that was the two inspectors and two other staff who would help with improving our code education and also create an online education process so that property owners and the general citizenry would learn what is required to be compliant with a code. My presentation recommendation would be if the council, if it's the wish of the council to reduce the number of ftes that we would bring in in fy18, my preference would be not to expand and instead of bringing on the code education we would simply back that out, which is the same number of ftes, rather than shift from our neighborhood enforcement program. And

I'll say that because we spent a great deal of time evaluating the incidents of code violations in each other. And we're proposing to do a realignment based on the trends of violations that are happening across the city. We're prepared and geared to do that. We were going to do that in addition to adding the code education. I would prefer to take that new enhanced program which is about the same amount as what councilmember Casar was recommending. And just not start that, delay that for a year.

[9:06:07 PM]

So that we can leave our neighborhoods whole and we would be able to follow through with the plan to be more responsive at the neighborhood level as well as continuing the efforts to close the gap for the repeat offender program and also the short-term rentals. That would be a substitute recommendation rather than shifting from the neighborhood to a focused program.

>> Mayor Adler: Mr. Casar?

>> Casar: I hear that and I appreciate you bringing forward another one. Ultimately we are adding 20 something folks. It wouldn't be a reduction from the neighborhoods, but a reduction of the pretty significant increase. Is there a midway point in which we would replace two of the non-designated officers with repeat offender officers and have that education component roll out with two people instead of four so that we're kind of mixing what my motion with what you've recommended somewhere halfway? Or does that create additional challenges for you?

>> Again, I'm really concerned about shifting resources from the neighborhood. The code education piece could work with the two inspectors coming on board and responding through 311 to answer calls, if you will, about specific property cases. The pieces that won't be in place is the ability for us to add on the online presence so that citizens and property owners could do a self-guided, if you will, educational learning experience about what the code requires. But we saw that as one unit so that not only when you call on the phone with a specific case question, if you were someone from the general public or a citizen who is concerned about what's happening down the street, you would have the ability to learn sort of a self-guided --

[9:08:24 PM]

>> Casar: And I heard you explain that program and I thought it was a cool idea and I think the challenge for me is I see the repeat offender program as also the neighborhood where you have people in neighborhoods of really substatistic dangerous property, and I want to emphasize taking care of folks in

those worst conditions in the neighborhood. And so I think I'll leave my motion as it stands and just see what my -- where my colleagues wind up on this one.

>> Mayor Adler: For me this makes me kind of nervous to be reaching down into a department like this on something that sounds to me being so operational in terms of its goal. If we don't think that we're getting the result that we need, I'd rather go to the manager and say tell us what the plan would be to better deal with that housing or come up with something rather than us trying to fashion. And I the director is doing -- and I think the director is doing a really good job in terms of reworking that office and I'm real hesitant to reach down and manage it. So I'm going to vote no. Councilmember kitchen.

>> Kitchen: I'm also concerned. There's parts of what you're proposing that make sense to me that I would like to be able to support, but I'm concerned about what -- I'm concerned about the concern that you're expressing in terms of shifting away so much from the neighborhoods. So I'd feel more comfortable if we were able to follow the director's recommendation.

>> Mayor Adler: Further discussion? Councilmember alter.

>> Alter: It's late, we've been at this all day. I'm not fully understanding how this would impact your department's operations. We've had an opportunity to talk a couple of times in-depth and it's my understanding that what you're proposing in this budget, the city manager's budget, is an effort to get you to the point where you can do this prioritization and that you have been methodically trying to get yourselves to the point where you can prioritize the things that we think are most important in terms of code enforcement.

[9:10:51 PM]

And I'm concerned about what the shift would do to your goal. I know you probably just did that to some degree, but it was in response to a different question. Can you tell me how this would affect your ability to move forward with the goals you've set for the department for this year?

>> We've looked at the incidents of complaints. We've looked at the types of complaints across each district. We've looked at citywide trends. I know now in each district what our challenges are from a code enforcement standpoint. We've had a great deal of discussion with our leadership team to shift the resources based on the demand. And having now, if you will, kind of a solution for that by shifting out at the neighborhood levels our ability to meet neighborhoods specific or district, if you will, specific demands, that's going to cause an imbalance, if you will, in our ability to respond to just across the board kinds of complaints. I mentioned before when the complaint comes in sometimes the complaints may sound like a low level issue, but when we respond to that property, we find out that in some cases, in fact, many of them, we'll discover there are issues as serious as what we see in the repeat offender program and as worry some, if you will, of what we see in the short-term rental programs. But we want to have a stability in the complaints at the district level and then we know specifically based on how the

code is written for short-term rentals and how the code is written for repeat offender program we know what we need to catch up.

[9:12:55 PM]

So when we put forward the number of ftes for I'm going to call it specialized, when we put that number forward we actually estimated the number of staff that we would need to respond based on the trends we've seen so far. So that we might be able to close the gap with those specialized programs without disturbing the ability to respond reliably at the neighborhood level. So it just creates a shift. And at the end of the day -- and I meant to mention we're already having to prioritize every morning, if you will, because we have more complaints than we can handle. But I know there is great concern for these specialized programs. In the meantime we also have to stabilize our response at the district level. Sing I think the recommendation on the floor is a shifting, but at the end of that shifting we're still going to have to backfill in some way, whereas the proposal that's before us we know how many annual inspections we need to do, we know how many periodic, if you will, the percent of repeat offender properties we need to respond to for what type of issue, just as we know for the neighborhood. I would not recommend that. I would rather move forward with our plan to stabilize at the district level to address the specialized program and maybe not expand in other areas for now. That would be my recommendation.

>> Alter: If we were going to do this. I'm assuming your first recommendation would be to stick with the proposed --

>> Yes. That's our -- that's staff's recommendation.

>> Alter: So if you were to move to either of those -- it sounded like Mr. Casar was going to stick with his original. If you were to move to that, what are the implications for what you were going to be able to provide in terms of extended hours and weekends?

[9:15:02 PM]

I know in my district a lot of the concerns and from what I understand elsewhere, they're about what happens after hours and what happens on the weekend.

>> We would simply -- at this point our staff are so stretched that auto some point we're going to simply have to say we can't get to that particular complaint for some time. We have a cloudy that is in-- we have a caseload that is incredible. Without being able to stabilize both at the district level and at the specialized level, at some point not only are we going to be concerned about what's going on out there,

but we're going to be placing I believe our staff to some extent at risk of trying to figure out what is most important, which is kind of where we are right now.

>> Alter: So do you think this has implications for the safety of austinites?

>> I think it has implications for our ability to respond responsibly at both the district level and at the specialized levels. Right now we're pulling back and forth everyday.

>> Alter: So I was concerned about the number of positions originally when we first saw the budget. And it's spent quite a bit of time with Ms. Wright's team. And while I wasn't involved in some of the discussions over the last couple of years on this, I believe that she's trying to right the ship and move it in the right direction. So I'm not going to be able to support this particular motion, Mr. Casar. I'm not going to be able to support this particular motion. I think that we're moving in the direction of righting the ship and I think that part of that is prioritize where we need to prioritize just in the way that you've been talking about.

[9:17:04 PM]

I would say that when we come back for a first budget amendment I would be willing to consider funding for the residents advocacy project as part of that discussion if we're not able to fund that today because we don't approve your motion. But I think that in the end we may not be improving the lives of the residents that we're most concerned about here by making this change.

>> Casar: Mayor?

>> Mayor Adler: Yes, Mr. Renteria.

>> Renteria: I'm not -- I have a lot of concerns, especially with increasing our fees on every citizen here in Austin. It's just -- we're raising the fees so much that people cannot even afford their utility bills. And we give, what, eight cents for an average house, a tax cut, and now we're going to charge them over 90 cents a month for -- for code violation inspections and str. And there's got to be a better way to fund these kind of projects -- I mean departments than using our utility fees. There's going to be people that can't pay their utility and they can't say I can't afford to pay the code. They're going to cut everything off you. And I live in an area there that just cannot afford higher utility bills. It's just getting to that point where enough is enough. And I'm very sorry that there's a lot of people that are calling in and especially in my area because we've got a lot of new people there that are upgrading their house, displacing us, and they look down and they don't like to see what they see down there next door, and they look and -- if you don't have -- fix one little -- on an outside light or it's broken, they can call on you and here they come and write you up and then you have to do this.

[9:19:23 PM]

And then they look around and -- I mean, these are not life safety type problems that are being complained. People that have a little minor setback, build a little shed and they're getting harassed in my neighborhood because the neighbor next door that just happened to build a 700,000-dollar home doesn't like the way your house looks. You know, that's what's going on in east Austin. We're getting gentrified, getting displaced. When we built our houses out there in that area, we passed so many rules and regulations that we're now getting caught in all these violations of code that it's getting to that point where you say hey, why don't you look at the real violators and leave the established people that are trying to make a living and staying in this city, instead of raising their fees? So I cannot support that.

>> Mayor Adler: Okay. Mayor pro tem.

>> Tovo: Mayor, it sound like we have two proposals, the one before us from councilmember Casar, which I'm supportive of, but it sounds like there are concerns on the dais. I wanted to get a general sense of whether some of you who have expressed concerns about the proposal that's been made would support the alternative that was brought to us by director Wright as a preferable -- preferable alternative, but not preferable to the proposal that's in the budget?

>> Casar: Mayor, I'm seeing some nods on the dais, so I would amend mine to reduce the clean community fee by 321,775 as director Wright suggested, add the 175 for the residents advocacy project for existing health and human services program and that nets a 192,755-dollar reduction in the clean community fee.

[9:21:39 PM]

>> Houston: How much reduction?

>> I think I just need to clarify then when you say -- maybe it's with director Wright since it's now her premium, but when we say reduce 321,775 in the clean community fee, I think the way this works is to cut their budget by 321,755. And if we're also reducing positions, either one of those, reducing their budget or reducing the positions goes back to item 1, which just adopted the current staffing and budget for that department.

>> Casar: And I apologize for that confusion. When I came up here, talking to director Wright and I came up here and said Ed had a change to the code budget and folks said that was the next item so that's where I think we're a little tangled up.

>> Kitchen: I thought -- can I ask my question?

>> Mayor Adler: Yes.

>> Kitchen: I thought we were reducing the fee.

>> Casar: That's right. We are still reducing the fee by a chunk. So their budget is increasing \$5 million this year. We're increasing it by about \$200,000 less.

>> Kitchen: Right.

>> Casar: And because we're taking out the 321,000-dollar program, that director Wright mentioned as her alternative, adding 125,000, which is half of the -- of the proposal that was on the concept menu for a wrap and that leaves us with a 200,000-dollar -- 200,000-dollar less increase.

>> Kitchen: With which to reduce the fee.

>> Casar: With which to reduce the fee.

>> Kitchen: So it's a reallocation -- no, not a reallocation. That doesn't give us \$200,000 more to do something with because we're reducing the fee. How much would that reduce the fee by?

>> Casar: It would be-- I can do the math.

>> Tovo: While councilmember Casar is doing the math, I wonder if it's acceptable to make any -- if this gets voted in to make -- to direct the change to the fee, and I assume with less revenue our director will have to make adjustments to the budget that we've already approved and she will make them according to her discretion, and it sounds like we know what changes she'll make.

[9:24:03 PM]

The other alternative I assume would be to reconsider the budget and make that change in the budget. But I just wonder if we could avoid that by -- with just a change to the fee with the understanding that that would necessitate the change that we've just discussed, if it passes? Is that doable?

>> I think you could just lower the fee. I think you could provide budget direction that if there's \$125,000 for residency advocacy, just direction, and not change the budget. Of course then director Wright in managing her budget would have to not fill those positions, just hold them vacant so she keeps her fund in balance, which could be done, but if you want to somehow actually remove those positions from the budget and remove the dollars from the budget, we would need to go back to item 1.

>> Casar: No need.

>> From an accounting standpoint what we would do is we would lower the fee in the fee schedule, the action you're going to take now, and that would then -- that would result in you're going to have lower

revenue so we might be showing that fund slightly out of balance, but again, the director would manage to not fill the positions. I think that would work.

>> Casar: And my rough math is that's about a four cent reduction in the fee is what we're voting on.

>> Mayor Adler: So my sense of this is still the same. I just wouldn't be reaching down. I understand that it's better to follow the fallback position, but to require that change in the budget on the last day --

>> Casar: Mayor, just like any other item, this is a motion to reduce a new program that's being proposed. And instead fund a concept item which is what we've been doing all day.

>> Mayor Adler: The problem is I just don't know how to evaluate from where she's sitting what the need is for the public engagement piece, which is what we're cutting. We're cutting a program that she's fryertized to -- prioritized to bring to us in order to help the public understand the code.

[9:26:07 PM]

She's in that position and she's charged with that duty. And I just don't know enough to overrule that. But if the question is that we're not putting enough people to the -- and we want to have greater attention to the repeat offenders, then I'd be more comfortable if we came back with that kind of policy direction and said, you know, how do you do this? How do you do this over time? I just --

>> Casar: And we have a different motion on the table. Now the motion is if we were to be doing something right now with code, we're increasing over 2,000 positions, and instead of having a 90-cent fee increase, it would be an 85-cent increase. And if we're talking about public education for folks, this is ultimately providing council and support for folks that are dealing with some of the worst nuisances through the wrap program.

>> Mayor Adler: I understand. But we're talking about some of the people in the neighborhood have worse problems or as serious problems as that. And I just don't know enough as we're sitting here to be able to judge how that impacts the overall safety of the city. I'm not going to say anymore, but I just don't feel component to overall. I wish this had come up several weeks earlier and then we could have talked and vetted through it. And that's just a concern I have. And if this doesn't pass then as we go into the budget amendment process maybe there's another opportunity for to us visit that kind of direction. Or something. But further comment? Ms. Houston?

>> Houston: First of all, I'd like to thank Ms. Wright and the members of the code department for the extraordinary amount of work they've been doing since you all have reorganized. There are so many code violations in district 1, illegal demolitions, illegal buildings, and I've got you on my 911 speed dial when I pass there.

[9:28:09 PM]

So I understand the need to have additional staff. I also appreciate the fact that you all are now inspecting and registering rooming homes of seven or more unrelated adults who have developmental disabilities and behavioral health issues, which has never been done in this city since 2009 when an ordinance was passed in the legislature that said we could in fact inspect and register. So you all are doing so much with a small amount and I know as large as the city is getting, we're having more and more need for code enforcement. And some of the folks that live in those rooming homes are just as bad as the people living in the repeat offender homes. I don't think some people could realize how 14 people could live in a house the way some individuals are doing. So I appreciate you. And I wish we could reduce the fee like councilmember Renteria was saying, but I understand the need for it and I'll be voting against this amendment.

>> Mayor Adler: Further discussion on the resolution as changed by councilmember Casar?

>> Tovo: Right. I think the change is just to remove the piece that's related to the expansion of education with the online.

>> Mayor Adler: Okay. Ms. Kitchen.

>> Kitchen: I can't support this at this time. I do -- if it doesn't pass, then I would like to work with my colleagues about finding a better way to support the repeat offender program, because I do appreciate that. And I think that's important. And not just that, but the resident advocacy project. I think that's important. And I'd be happy to work towards that in our budget amendment process. But at this point, I'm concerned about what this would do to the budget and the needed changes that we need for code enforcement, so.

[9:30:18 PM]

>> Mayor Adler: Any further discussion on this? Councilmember alter.

>> Alter: I'm not going to vote for it. I'm concerned about the process. I mean, I don't know how we give money to something when we've already closed the budget like that. It seems kind of out of the ordinary and not appropriate for this time.

>> Mayor Adler: Anything else? We're going to take a vote. Vote on councilmember Casar's motion. Those in favor, please raise your hand. The mayor pro tem, Garza, Casar, Flannigan, and Renteria. Those opposed, raise your hand. Those abstaining. 5-5-1, troxclair abstaining, the other five voting no. Does not pass. Any other changes to the fees?

>> Mayor.

>> Mayor Adler: Yes.

>> Renteria: I'm not going to be able to support -- I'm going to have to vote no on it. I just don't believe it's right for the public to get charged this kind of money on their utility bill. I think it should be a better way of funding these kind of programs. There should be fees for developers, or when you get your license for a home inspection, or your nursing home, there should be a fee to charge to have these inspectors come and visit their place. But I just don't feel like it should be put on a utility bill where people are struggling right now to make their payments. And it's just not right.

>> Mayor Adler: Okay. We're going to take the vote. I think that the law requires us to be a record vote. Is that right?

>> Yes.

>> I have just two quick things to say while our clerk comes up. It's going to take me just a minute.

[9:32:18 PM]

I really would like to see and have additional conversation about how we can use the tools that are available to us legally to collect -- to make sure that we are passing costs on to those who are responsible. It concerns me that our clean community fee is increasing in part to cover short-term rental inspections. I would like to continue to explore as a council how we set our cost for that program, our cost for individuals who want to participate in that program at such a rate that we can cover the cost of administering it. I'm equally concerned about the repeat offender program and am already exploring some options with regard to that. With one other fee, we did ask some questions early on about the gulfees and how those are set, and whether it makes sense to set in-city versus to the of city rates. I think I asked questions in the council q&a that would inform different proposals. For one reason or another, those didn't make it in. I'm still interested in that. It's difficult to change fees out of cycle, but not impossible. Those are some areas I'm interested in continuing to think and work on. I hope you will join me.

>> Kitchen: I think you may have answered my question, but. So with regard to the clean community fee, for example, we could do a budget amendment later if we determine a better approach, as the mayor pro tem is suggesting, right? So we can make a budget amendment in the mid-year.

>> You can make a mid-year budget amendment.

>> Kitchen: Yeah. Okay. Well, then I second what mayor pro tem is saying and I'll be happy to work with you on that.

>> Mayor Adler: Okay. Clerk will call the roll, please.

>> Mayor Adler.

>> Mayor Adler: Yes.

>> Mayor pro tem tovo. Councilmember troxclair.

>> Troxclair: No.

>> Councilmember Garza.

[9:34:19 PM]

>> Garza: Yes.

>> Councilmember Casar.

>> Yes.

>> Councilmember Flannigan.

>> Yes.

>> Councilmember Renteria.

>> No.

>> Councilmember kitchen.

>> Kitchen: Yes.

>> Councilmember pool.

>> Pool: Yes.

>> Councilmember Houston.

>> Yes.

>> Councilmember alter.

>> Yes.

>> Mayor Adler: Nine in favor two opposed, passes. Items 3-5, the aft, APD, ems classifications and positions. We're going to take those up now. Is there a motion to approve items 3, 4, and 5?

Councilmember alter makes that, seconded by the mayor pro tem. Is there any discussion? Let's take a vote.

>> Wait, wait, wait.

>> Mayor Adler: I'm sorry.

>> Houston: I have a question. Are these current positions or additional ones?

>> Mayor Adler: They're the positions that are in the budget.

>> Yes, the current positions in the budget.

>> Houston: Thanks.

>> Mayor Adler: Okay. Anybody else want to say anything? Those in favor of adopting the motion to adopt the aft, APD, and ems classification ordinances as amended, please raise your hand. Those opposed. That is unanimous on the dais. Agenda items 6, 7, 8, and 9, reimbursement resolutions for general debt, water utility, airport. We're now going to take up those items. Is there a motion to approve these items 6-9? Ms. Pool makes that motion. Is there a second to that? Mayor pro tem seconds that. Is there any discussion? Those in favor of items 6-9, please raise your hand. Those opposed? It's unanimous on the dais. Item number 10 is to ratify a fax increase in the budget. This vote is in addition to and separate from the vote to adopt the budget and the vote to set the tax rate.

[9:36:26 PM]

We're now going to consider this item. I'm sorry, item ten, to ratify the property tax increase reflected in the budget. Vote is required by state law. Council must make this vote separately. We know it'll take more property taxes than the city rates last year. This is not a vote on the tax rate. We're going to take a separate vote on the tax rate after the budget is adopted. Is there a motion to ratify the property tax increase reflected in fiscal year 2017-2018 budget adopted by council today? Is there a motion? Mayor pro tem makes that motion, seconded by councilmember Garza. Any discussion? We have a motion.

>> Mayor.

>> Mayor Adler: I'm sorry.

>> Houston: Is anybody going to fill in these blanks?

>> Mayor Adler: On the -- the first one here is just a vote to recognize that we're increasing.

>> Houston: I thought you said we were on ten.

>> Mayor Adler: Yes, it is ten.

>> I'm sorry. You're looking at the yellow sheet and that should be 11 at the top.

>> Mayor Adler: 11. That was mis-numbered. Okay. All those in favor of this motion --

>> Mayor.

>> Mayor Adler: Yes.

>> Troxclair: Can you explain in more laymen terms what the difference is between this vote and the vote that we have yet to take?

>> Mayor Adler: The legislature just wants to have a separate vote to -- for the council to recognize that we're having to raise more money this year than we raised last year.

>> Troxclair: Through this budget.

>> Mayor Adler: Because of the budget.

>> Troxclair: If I'm going to vote no on the tax rate increase, I should vote no on this.

[9:38:28 PM]

Thanks.

>> Mayor Adler: Okay. I don't want to advise you what to do. This is a motion to ratify the property tax increase and to recognize that it's taking more property taxes than the city raised last year to pay for the budget this year. Those in favor, please raise your hand. Those opposed. Troxclair voting no, Houston voting no, others voting aye. Passes. That gets us then to item number 11. Okay. We are now going to take up item number 11, approve an ordinance adopting and levying property, ad valorem tax rate for the city of Austin for the fiscal year 2017-18. There's going to be a short statement by law regarding the exhibits. Then we'll take a motion that uses the language required by state law.

>> Thank you, mayor and council, Lela for the law department. The ordinance that you're adopting contains a finding and an attachment. The finding is that to the extent required by law, you have found that the owners of the property identified in attachment b2 provided the city with documentation that their properties comply with the requirements set forth in tax code 11.24. That part of the tax code states the governing body of a taxing unit by official action of the body adopted in the manner required by law for official actions may exempt from taxation part or all of the assessed value of a structure or archaeological site and the land necessary for access to and use of the structure or the site.

[9:40:32 PM]

If the structure or archaeological site is designated as a recorded historic landmark under the government code, or a state archaeological landmark or a natural resources code by the Texas historical commission, or designated as historically or archaeologically significant site in need of tax relief to encourage its preservation pursuant to an ordinance or other law adopted by the governing body of the unit. The attachment is exhibit b2. It contains the listing of the properties that have been reviewed by staff and the landmark commission recommended to you as meeting the requirements of this state law. B1 is the portion that has the recorded historic landmarks and b2 are the ones that are in need of preservation. And so I just provide this information to you so that you know what you're doing and the record is made. And those are the attachments to the document that you have in front of you. Thank you.

>> Mayor Adler: Thank you very much. The motion -- sorry.

>> I have a question for Mr. Van eenoo. Do we know -- in the backup I don't see how much the tax exemption for preservation is in a dollar figure. I see the number of properties. Do we have any sense of what the tax impact is of preservation?

>> No. We haven't been asked to calculate that, but we can certainly get you the change in revenue, I guess is how I'd characterize it, as a result of exempting this valuation from the tax roll.

>> We can work on that going forward.

>> Mayor Adler: Thank you. So, the motion to adopt the -- yes. Ms. Troxclair.

>> Troxclair: Are the numbers on this sheet that you handed out, I think yesterday, maybe Monday, I can't really remember, are they still generally accurate?

[9:42:36 PM]

I don't know. I think the only thing that might have changed is potentially the property tax bill just slightly, because of the \$420,000 that we have applied to the tax rate. But I'm not positive.

>> So I did pass that out on Monday. The changes are the Austin resource recovery fee instead of 85-cent increase is now no increase. And the property tax rate came down 7 cents. Is that right? Seven or eight.

>> I think the main point is that other than Austin energy on the power supply adjustment and clean community fee, none of our enterprise funds have rate increases.

>> That's right.

>> Troxclair: So can you tell me what the total yearly property tax and fee increase will be for the typical homeowner?

>> It's \$12.62 a month. So somewhere around \$150 annually, 150, 144 annually for the typical ratepayer. That's a 3.9% increase over the current year's amount.

>> Troxclair: Okay. And the typical homeowner is 250-something thousand?

>> For the property tax bill calculation, the non-senior owner of a homestead property for the utility rates. It varies depending on the utility. They're listed on the slide what the typical ratepayer is defined as.

>> Troxclair: About \$151 in tax and fee increases this year.

>> Yes.

>> Troxclair: Thanks.

[9:44:48 PM]

[Off mic]

>> Mayor Adler: There's a motion to adopt a property tax rate. I was going to use the words required by the property code. Ms. Kitchen.

>> Kitchen: I'm sorry, I just wanted to make sure I'm not confused. So the senior exemption is now 80 -- I'm sorry, it's 855. Okay. Thanks.

>> That's correct.

>> Mayor Adler: Okay. So we're going to adopt the motion. The motion to adopt the property tax rate must be made using the words prescribed by the Texas property tax code. The tax code requires this vote to be taken by record vote. When we say that we are voting to increase the tax rate, the statute defines an increase as the percentage by which the proposed tax rate exceeds the effective rate. Is there a councilmember that will move that the property tax rate be increased by the adoption of the tax rate, of 44.48 cents per hundred-dollar valuation, which is effectively an 8.3 increase in the tax rate? Mayor pro tem will make that motion. Is there a second to that motion? Ms. Pool. Is there any discussion? We have a motion and a second.

>> I'm sorry. It's really late. Can you explain to me how we got 8.3?

>> Mayor Adler: Mr. Van eenoo.

>> A calculation that's specific in state law. It's not the same as the rollback calculation. If you're thinking about the rollback calculation and 8% as being the rollback rate we came in at 7.9. This is a different calculation prescribed by the state. It comes out to 8.3%.

>> Mayor Adler: This is not the same measure that triggers a rollback election. Councilmember pool.

>> Pool: I just want to make sure that that's really clear to the media and everybody who's here on the off chance that someone misunderstands it and, I don't know, tweets it out or social and says, we're above the rollback rate.

[9:46:57 PM]

We are actually below it. Mr. Van eenoo can tell us one more time.

>> I could get into the details of the changes and the differences in the calculations, but, again, state law prescribes that your adopting tax rate can't be more than 8% above your effective mno rate. Essentially designed to give you the same amount of revenues you had in the previous year for operations and maintenance from taxes, properties assessed in both years, plus 8%. And again, on that metric, which is the one everybody talks about, we came in at 7.9. This is a different metric. As you look at different numbers it calculates out to 8.3%.

>> Mayor Adler: Thank you. We have a motion and a second the property tax rate be increased by the rate, 8 cents per hundred-dollar valuation. Will the clerk please call the roll?

>> Oh. I didn't have my hand up. But it is accurate to say that property owners in Austin will pay 8% more in dollar amount than they did last year to the city due to property taxes.

>> I think it would be accurate to say in aggregate, properties assessed in both this year and the previous fiscal year will pay in aggregate 7.9% more for operations and maintenance. You know, you start getting into debt discussions and my answer would then change a little bit. Every individual homeowner is different. That's why I'm using the term aggregate.

>> Troxclair: Thanks.

>> Mayor Adler: Okay. Will the clerk please call the roll so we can state our vote?

>> Mayor Adler.

>> Yes.

>> Tovo.

>> Yes.

>> Troxclair.

>> No.

>> Garza.

>> Yes.

>> Casar.

[9:48:59 PM]

>> Yes.

[Calling roll]

>> Mayor Adler: By an 8-3 vote, this measure passes. Congratulations, colleagues. We now have two last items. We're going to recess to convene the Austin housing finance corporation meeting, and then the Mueller local government corporation. So we're going to recess the city council meeting here at 9:49 P.M. And we will call to order the meeting of the Austin housing finance corporation. Today is September 13th. We're in the city council chambers. It is 9:49 P.M. We have a quorum present. Take us through our meeting.

>> Absolutely, good evening board of directors, my name is Rosie, treasurer of the Austin housing finance corporation. There are two items on the agenda today related to the budget beginning on October 1st, 2017 and ending on September 30th, 2018. Item number 1 is to approve a resolution adopting the corporation's capital budget for fiscal year 2017-18 in the amount of -- 8.5 until, noting a decrease based on changes that were passed out Monday. That's dropping our capital budget down to 8.5 million. Item number 2, as posted on the addendum, a resolution adopting the grant operating budget, \$9 million, and the housing assistance fund budget in the amount of 440,000 for a total of \$9,722,983. This item authorizes program guidelines for the applicable housing programs funded and establishes administrative approval limits for the general manager.

[9:51:00 PM]

And I offer both of these items on consent.

>> Mayor Adler: So we're changing the changes and corrections. Is that correct?

>> Yeah, we originally -- the item was posted with a capital budget of 10.5 million. We noted that change that was distributed to mayor and council Monday morning that that would be 8.5 million.

>> Mayor Adler: I see that in item number 1. I'm looking at changes and corrections. It shows me item number 2 is withdrawn.

>> There was an addendum posted to the budget or to the posted agenda and that modified the numbers for the operating budget and for the total.

>> Mayor Adler: So it doesn't need to be withdrawn, because the addendum corrected it.

>> Right.

>> Mayor Adler: Is there a motion to approve items number 1 and 2? Mr. Renteria makes that motion. Is there a second to that motion? Mayor pro tem. Any discussion? Those in favor of these two items, please raise your hand. Those opposed? Troxclair. Ms. Troxclair votes no. The others voting aye. Passes. That's all our business.

>> That's all our business. Thank you.

>> Mayor Adler: All right. The board of directors, we adjourn this meeting. It's 9:52. We're going to then call to order the meeting of the Austin housing finance -- no, I'm sorry, the Mueller local government corporation. It is 9:52. We are in the city council chambers, September 13th. Take us through our meeting.

>> Good evening, chair Adler. I'm the assistant director of the economic development department.

[9:53:01 PM]

Tonight I offer for your consent two items on the agenda, approval of the minutes from September 12th, 2016, as well as approve a resolution adopting the fiscal year 2017-2018 Mueller local government corporation operating budget.

>> Mayor Adler: Is there a motion to approve items one and two? Mr. Renteria, Ms. Pool seconds. Any discussion?

>> Yes, mayor.

>> Mayor Adler: Mr. Renteria.

>> Renteria: I just wanted to state that, you know, this project, the Mueller, was -- I was on the community development commission when that came through. And we had set a goal of 25% affordable housing. And I just got a report that not only have we met the 25%, but we're going to exceed the 25%.

So I really wanted to really thank y'all for this opportunity to, you know, to make this program work so great. When I heard the news that we were going to exceed that goal, I was just so excited and I want to say thank y'all.

>> Mayor Adler: Okay. We took the vote, no?

>> No.

>> Mayor Adler: Those in favor of the two items, please raise your hand. The motion -- it was moved and seconded. Those in favor, please raise your hand. Those opposed. Unanimous on the dais. That's all our business so we are going to adjourn that meeting. We now pull back. It is 9:54. At 9:54 we're going to reconvene the city council meeting. Again, we're still in the city council chambers, September 13th. Mayor pro tem.

>> Tovo: Mayor, I hope that this will be easy. And if it's not, I will withdraw it and do it as budget direction, though it's not clear how to do that when we're not in budget.

[9:55:02 PM]

I ought to have done this when we were doing the budget. There was some confusion, perhaps not through all departments, but some, about the money we allocated in the current fiscal year -- fiscal year. We allocated money in last year's budget. Some will extend into next year for temporary and permanent restrooms. Things have gotten confused and complicated with regard to those. But the funding is there. I would just -- I would just like to clarify that the funds in our current year and in next fiscal year that have already been allocated for temporary restrooms and permanent restrooms can be used not just for the identified pilot that is temporary, but also for other temporary installations of restrooms. Again, if there are questions, concerns, or whatnot, I will withdraw this. There's some confusion about whether the funds can be used to fund what are currently temporary porta-potties. I think it's all in the spirit of what we were trying to do, which is to have both temporary restrooms as well as permanent ones. I just want to state that clarification. And I'll do that as budget direction. And that's my motion this year and next year. The money's already been allocated. We're just making it clear that it can be used for all of the purposes that may fall within temporary, including the porta-potties that are currently installed.

>> I second.

>> Mayor Adler: I agree with this. And I want this to happen. And I think we can make this. I just don't know without opening up the budget whether we're noticed to be able to take up -- budget director, can we do this?

[Off mic]

>> Mayor Adler: The manager heard your direction and said she would follow up.

>> Tovo: Thank you. I think it's completely consistent with what we've already don.

[9:57:05 PM]

Done. If you need me to clarify in some formal way, I will.

>> Mayor Adler: I'll vote yes. I would suggest that people, if they have additional budget directions they want to bring, that we put that on the agenda on the September 28th to let people bring up additional budget directions at our first meeting after that -- at the September 28th meeting. Councilmember pool.

>> Pool: Thanks, mayor. I just wanted to pass out some information for later. But because I had raised the 380 agreement relating to the domain, and I had given you a teaser to say my staff was assemble information, I have the domain 380 agreement fact sheet. It's a front and back. So I just want to close off the domain conversation to want since I opened it up last week. I won't obviously bring this item forward during our budget conversation. Our budget conversation is over and I did not bring this back. But I did want to notice everybody that my office is still doing more research into that agreement, specifically into a cost-benefit analysis. There's more work to be done on this. We are digging deep into the details of the agreement. The property has been sold multiple times and we want to make sure that everything that was agreed upon is still happening. So I just want to note that I plan to continue to scrutinize the details on the agreement. We'll be looking at both the cost and the benefits and I will bring it back when I have that additional information and any action related to it assembled. Meanwhile, here's a fact sheet that sets forth as much information as we have been able to assemble. This will also be helpful for any in the press who wish to write on this topic, because I know that it's been difficult to get accurate and complete information. So we wanted to aid our good friends in the state on that issue.

[9:59:09 PM]

So, that's it.

>> Mayor Adler: Okay. Anything else before we leave? Manager.

>> Yes. I just want to thank the mayor and councilmembers, and all their aides, as well as all of the staff at the city who have worked on this budget. I appreciate the time the council has spent with us, beginning in February with our department reviews. This is September. It's been a long journey. Obviously we're all tired. I won't take a long bit. But I do appreciate the partnership and the work with

y'all, and the direction. And I think we passed a good budget. And look forward to moving into fy18. But thanks to all the staff.

[Applause]

>> I really appreciate you all.

[Applause]

>> Mayor Adler: Thank you, everybody. We stand adjourned.

>> Casar: I think there's a special --

[applause]