

## City Council Special Called Meeting Transcript – 8/6/2018

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>> If we could get everybody to their seats, we're going to get started shortly. If we could get everybody to their seats, we're going to get started.

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>> Good afternoon. How is everyone? Can't hear you. How is everyone here? Great. Well, thank you all for being here today. My name is Anna. I'm the chair for the Barrientos mexican-american cultural center and I welcome you to our beautiful destination of imagination. What can I say? This is a destination of creativity and for artists this is where they have their home. And I thank you very much for being here. Today I take great pride in welcoming you here to our main gallery and one of the best exhibits spaces Austin has to offer. You know, 30 years ago the site had little to offer. It was the city of Austin garage, home of the fleet maintenance department. Carved out of the barrio of the Rainey street neighborhood. At one point it was not even considered favorably by developers, and look where we are now. This gallery, this precious gallery is named after Sam Coronado. And this building came with much sacrifice and persistence for our mexican-american and Latino community and all who supported this cultural center over 30 years ago. The artwork you see here today is by Andy Villarreal, a visual artist that resides in San Antonio. We opened our doors back in 2007. Since then we have exhibited and presented over 1500 artists and performers and served over 5,000 children through our camps and special events. I take great pleasure welcoming mayor Adler, who has given much of his time and support for the arts and cultural centers in Austin, and also to welcome our new awesome city manager Mr. Cronk. So mayor, thank you very much for all you do for the

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mac and I welcome you and all of city council. Thank you very much. [Applause] I also wanted to introduce our staff. They do an amazing job. We could not do this as a board without their guidance and

we appreciate all that they do. Do you want to say a few words? >> Thank you. Erlinda and I have been here 11 years and I can't say how proud I am to be working with the community. I know a lot of you out there that I've worked with and I feel so humble having worked with so many of you. And it is because of the support of the city that I worked with so many of you in giving so much back to the community and working on so many fabulous projects not only in the arts but in performance arts that have enriched the lives of so many of our children and youth. And that is really why we do what we do and do it so well is because of our community, and it is the hope of our future and the hope of the center that we are here today and the hope of the future for all of our children is the education of our children and in the arts and culture. So thank you all. [Applause] >> Thank you. I'm Laura esparsa and on behalf of the parks department I would like to welcome you to the Barrientos mexican-american cultural center. Thank you for being here. >> Mayor Adler? >> Mayor Adler: Madame chair, thank you so much for welcoming us all here -- [no

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mico] It is 3:44. We have a quorum present. We are at the mac and I call this special called meeting to order and turn it over to -- [inaudible] [Applause] >> Thank you, mayor, councilmembers, distinguished community guests. Let's give one more round of applause to the mac for hosting this incredible venue. Thank you very much. [Applause] It is my distinct pleasure to present to you today the city of Austin's proposed budget for the next fiscal year. This is truly a transformational moment for our city. Over the past year we have fundamentally reframed how we think about and how we talk about the budget and what you'll hear today is a reflection of that. When I took this job, one of the commitments that I made was to make the budget more focused, streamlined and consistent with your priorities as a council and reflective of the priorities of our community. The goal was to make budget deliberations and adoption smoother and more predictable by integrating these priorities at the beginning of the process. These conversations need to be taking place year round, not only the month before we adopt the budget. I feel like we've made great progress in that respect and the strategic direction has been the foundation of that effort. As we move through this process engaged with community, we've asked our departments and advisory boards and commissions to align with the strategic priorities as well. It's been a great collaboration. I want to thank everyone who made their voice heard on the budget through the 11 community meetings, online engagements and our boards

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our commissions to focus at the policy level rather than on specific vendors. I want to take a moment to thank all of those that serve on a city board of commission. If you would please stand and be recognized. Anyone who serves on a city board or commission, please stand. [Applause] Thank you for your service. Again, since all that work was done early in the process, it allowed me the opportunity to consider these requests in developing the proposed budget and you'll see in the budget book that we have tried to highlight the significant changes that are directly linked to those recommendations. We've done the same for those that are linked to your past policy direction, your strategic priorities and our continued focus on equity. So let's talk about the strategic priorities and how we're going to advance the ball on the things you indicated were most important to you. As you recall, you identified the top ten indicators you wanted to focus on for the next few years. Working with you and our staff I feel like we have been able to focus many of our new investments on efforts that will move the needle on those outcomes. To remind us of all those outcomes and priorities, I thought it would be helpful to bring the boards you see

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behind me. We've used these throughout our engagement activities and I found them to be a useful tool in focusing discussions with the community. Today I'm going to spend a few moments going through each one of the outcomes. As you know, there are countless existing programs and continuing investments that impact each of these areas so I'll specifically highlight some of the notable changes in each outcome related to the top ten indicators you as council identified earlier this year. So we'll start with economic opportunity and affordability. When we talk about this outcome, there was a desire to see a specific focus on housing, homelessness and building the skills of our local workforce. This is not the first time I have said this but we have an affordability crisis in Austin. And to address this we are addressing over half a billion dollars dedicated to this outcome across all departments. You'll notice the strategic housing blueprints you adopted last year is a key driver for our investments in housing and I wanted to recognize councilmember Renteria for your leadership in this area. That includes additional efforts to streamline the development review process and assist potential applicants in navigating incentive programs. This budget proposes to spend \$40 million by our neighborhood Housen and community development departments and I'm proud to say we are fully funding the housing trust fund. [Applause] We've also set aside money for studies that neighborhood housing needs to adopt and implement the blueprint. When we talk about homelessness, much of our investment is building upon what we've learned from the homelessness outreach street team, expanding that program to add three new staff members focused on coordinating homeless

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services citywide. On top of that we're proposing new investments in social service contracts to supplemental attorney actives to panhandling and expand the community partnerships that have proven vital to our efforts. To compliment those efforts we've added personnel to provide intervention, support and counseling at both the community courts and Austin public library locations in a continued

effort to identify and lift up our most vulnerable residents. Thanks to mayor pro tem Tovo's steadfast commitment to finding solution, this budget builds upon the \$26 million in ongoing expenditures and service of individuals experiencing homelessness and invests another \$3.1 million to support our citywide response to this community. In addition, the renovations and progress of the women and children's shelter are planned to be completed this coming year at a cost of \$7 million. We know that Austin's current run of success has not been felt equally by all of our residents which is why building the skills and capacity of our local workforce is so important. You'll find my recommendations here are guided by the master community workforce plan council approved in June. It's another example of my commitment to bringing these plans to life. We intend to fund implementation of the revised economic development policy, we're going to focus on local businesses and offer incentives for those hiring from our economically disadvantaged communities. Likewise, we'll focus our business expansion program to support job creation and career paths for those who experience educational or socioeconomic barriers to full employment. We're increasing investments to help raise the prospects for those most at risk. That includes investing more in our grants for technology opportunities program to help close the digital

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divide. We're also launching new pilot programs that can help our young people with real-world experience in high-demand professions like public health. We know successful workforce development requires both a long game and a short game, and I believe that these investments will help us move forward on both. Finally, we as a city enterprise need to lead by example by paying all of our workers a living wage. I'm proud to say that for the first time every employee of the city of Austin whether they are full time, temporary or seasonal, will earn a living wage of at least \$15 an hour. [Applause] I want to thank councilmember Casar for his leadership on this which allowed us to accelerate and expand the scope of this commitment. Moving on to health and the environment, you wanted us to focus on accessibility to health services, resilience to climate change and accessibility to recreation, parks and trails. Our city is investing over a half a billion dollars dedicated to this outcome. In terms of accessibility to health care, much of our focus is on health equity. This has been driven in large part by the recommendations of our quality of life commissions. These new investments include \$500,000 to improve health outcomes within our community especially our African-American community where too many are failing to get access to the care that they need. We're going to expand the community health worker program to bring greater attention toward enrolling hard to reach populations in critical health services, which I know is a priority for councilmember Houston. I'd also like to recognize at this time our new director of public health,

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Stephanie Hayden, who is spearheading these efforts and doing a fabulous job. [Applause] In all, public health will see more than a million dollars to increase their capacity and expand preparedness and prevention activities. We'll invest another \$262,000 to keep up with the increased demand for

immunization services. We're also increasing funding to improve access for low-income seniors and will bring on a staff member to focus on the age-friendly action plan. We know that climate change has both health and infrastructure impacts in our community. Ensuring our resilience to a changing climate starts with protecting our trees. We'll invest. >> Additional \$300,000 to improve protection of urban forest through enforcement of our tree code. That's on top of the continued efforts of our sustainability office and Austin energy to make Austin a net zero emissions by 2050. Our investments in green building, community solar, alternative power generation and electric vehicles will continue to play a big part in those efforts and I thank mayor Adler for his leadership on this subject. We also know that access to parks and green space can have a direct impact on both mental and physical well-being. Just having access isn't enough, though. Those resources need to be safe and well maintained. It's no secret that there's a long maintenance backlog across our parks facilities that needs to be addressed. And I know that this is a priority for councilmember pool and I intend to see that we do just that. We've added five new positions to help address the general maintenance needs of our parks, trails and facilities. And at the neighborhood level we've committed additional funding to ensure that our playground surfaces are safe and maintained.

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Next year we are proposing an additional \$1.8 million for preventive pool maintenance funded primarily through a small increase in entrance fees. We also have some big projects like waller creek and lower onion creek that are beginning to take shape and we're investing in new staff to support those continued improvements. You've made it clear that when it comes to culture and life-long learning, our most credit issue is supporting and maintaining the creative industries that make Austin what it is. In fact, it is that creativity and uniqueness that lured me to Austin to serve as our city manager. We know the people who support Austin's cultural backbone have been hit particularly hard by the affordability issues in Austin. You will see \$78 million dedicated to this outcome. I think we all realize that in many ways we're trying to catch up with a rapidly changing environment for our creative industries. Our rapid growth had put pressure on both the artists and the venues that support them. I know that you started working to address this issue prior to my approval and I know it's not something we can hope to solve in a single budget cycle, it's an issue that extends beyond just one outcome area of our strategic direction. But while we continue working to fulfill this direction, spearheaded by councilmember kitchen, on the artist access program, we're also increasing support for the arts space assistance program and extending it through the fiscal year 2021. That's in addition to the \$16 million that economic development invests each year to support the arts and the \$3 million in capital improvement funds for art in public places. We'll invest \$1.4 million to support continued renovation and rehabilitation of Austin studios and continue to work with the private sector to

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encourage support for both live performance and public art. Of course we'll continue to find ways that we can meet the goals and objectives of the music and creative ecosystem resolution in the coming year and I anticipate we'll continue to iter rate and add in future budgets. Next is the safety outcome. First I would like to talk broadly about our overall investments in public safety. As you well know, public safety is the largest component of our general fund budget. The safety outcome also includes portions of a number of other departments like communications, technology management, and watershed protection. In total, we are investing almost a billion dollars in this proposed budget on our safety outcome. The two most critical conversations have been about police staffing and about fire infrastructure. This year we've added funding for 33 new police officers. 12 of those were added to the budget previously but not funded and six will be designated to the airport. We've also increased the staffing for victim services. While this satisfied some of the immediate needs around community policing, it is critical that we secure a labor agreement before we make decisions about future staffing levels and how they may impact the budget. In response to fire infrastructure needs, we've added 16 new positions to the new onion creek station to make sure that that is operational. And thanks to the leadership of councilmember Garza, we have also set aside \$5.4 million to begin work on new stations in del valle and Travis country. We will also access rate on issues that address gender in equities that remain in regarding fair administration of justice, we can start with the lease

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and buildout of our new municipal court facility. The move will allow the municipal court to consolidate operations and perform more efficiently than the current situation allows. Ultimately, this benefits anyone who interacts with our court system. Our current plan is to move into that facility by June of next year. Consistent with the quality of life recommendations, we've added \$300,000 for immigrant legal services to help immigrants and refugees understand their rights and get the legal help that they may need. [Applause] But the biggest factor in the fair station of justice is ensuring our law enforcement officers are prepared to work with our diverse and changing population and that our residents trust our officers. I'm happy to say that we're funding training that will help our officers better understand issues of racial equity and learn effective deescalation techniques. I want to recognize and thank our newly appointed police chief Brian Manley. [Applause] And our police monitor, Farrah muskodin. For their couragees leadership to ensure that we work with both our departments and our community to keep our city safe. Along with that we need to ensure that our police body camera system is reliable and well maintained. Otherwise we can quickly lose the trust and confidence of our community. We're investing another \$200,000 to ensure that the 1700 cameras we're using to perform -- perform the way that we expect them to. I'm looking forward to completing the negotiations with the Austin police association so we have some budget certainty moving forward. As I mentioned, that will

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lead to a broader conversation about future police staffing. Next is mobility. I know that for many years mobility has been a primary concern for austinites. Ensuring accessibility and equity of multimodal transportation options is a foundational solution to many of our transportation challenges. In total you will see \$238 million in operating funds and \$389 million in capital funding allocated to support our investments in mobility. Passage of the 2016 mobility bond was a significant moment and will continue to execute on our contract with the voters. We have a \$52 million spending plan to continue that work, but we all know that that is just the beginning. Next year we'll invest another \$4 million in safety and bike way improvements with a goal of executing all of our plans within the next five years.

Transportation demand management has proven to be a successful tool in managing peak hour traffic performance and it merits further investment in the coming year. Much of the remaining multimodal work is integrated into broader capital spending plans and many of our corridor plans include considerations for metro rapid routes as well as bicycle and pedestrian improvements. Some of the trail work that I mentioned earlier, waller will creek, for example, will also play a long-term role in addressing mobility challenges. Some of our near-term investments begin to come on line, I think we'll also be able to better determine future steps that may positively influence this strategic priority. And finally, government that works. You have asked that we focus on the condition and quality of our facilities as well as the effective adoption of technology. This is the second largest portion of the budget,

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investing \$780 million. I've already mentioned the number of investments we're making to improve the condition and maintenance of our facilities. We've talked about the increased investments in parks maintenance and in our public safety facilities. We've also talked about the continued renovations in our fire stations and the move for the municipal courts. Behind all of that thanks to councilmember alter's leadership, I'm happy to say we fully funded facility maintenance for the first time since that new financial policy was adopted. Keeping pace with our technology needs, not to mention the expectations of a tech-savvy community, it is fightings for our metrics of success to make sure we are moving forward in this could you tell come. The right technology can rest barriers and provide actional data for decision making. Our biggest investment in the coming here is in our workforce. We have \$8 million set aside to begin our transition to a modern and agile human capital management system. This is about how we recruit, how we hire, how we train and develop our most valuable resource, our incredible city employees. It's about the succession planning and ensuring that we are investing in future leaders. In this budget you'll see other moves towards modernizing our services. That includes new case management system for the municipal courts, upgrades to critical public safety technology infrastructure, and updating the systems that run and meter our water and wastewater systems. All modernizing efforts that have been championed by councilmember Flannigan. We're also making some significant investments to improve the safety and security of our I.T. Infrastructure, which is more important now than ever. And I want to note that we're adding a position to the telecommunications and regulatory affairs area who can focus specifically on

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improving our turn-around for small-cell wireless permits. I also think it's worth noting we'll add four new positions to the office of performance management to help us focus on improving the efficiency of our operations. I believe that the foundation of governments that works is ensuring that our taxpayers continue to get the best value for their investment in city service. Before I close, I want to reflect a moment on the work session where you all set these budget priorities. In addition for the ten strategic priorities, you instructed us to work to limit fee increases and rebalance a percentage of our budget that goes towards public safety. I'm happy to say that we achieved both. We are proposing a small increase to your transportation user fee, but for all other rates or fees for basic services, including Austin energy, Austin water, resource recovery, drainage utilities, for example, our projected -- are projected to remain flat or even in the case of Austin water to decrease that will occur driven by council's action earlier this year to reduce the rates. You also directed us to do our work under the assumption of a tax increase around 6%. The budget we're presenting today reflects a tax rate that is 4.9% above our effective rate. [Applause] The truth is thanks to councilmember troxclair's leadership, many taxpayers will see an even smaller increase due to council's action in June to increase the general homestead exemption from 8% to 10% of eligible property value. Taking this into account, we project that the tax bill for an owner of a median valued house in Austin will increase by just over \$5 a month. Given that, later this week

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I encourage you to set the maximum tax rate at your original 6% target, or even below that. I believe that we can do -- we can do that without unduly restricting our ability to deliver on your priorities. None of this would have been possible without your ongoing guidance and the support of our amazing staff. When the process is working the right way, the strategic plan is the manifestation of the community's priorities and the budget is a manifestation of the strategic direction. I believe that we've gone a long way to realizing that with this year's proposed budget. This is just the beginning though. As you know, I am reorganizing my executive team around the strategic outcomes in this coming fiscal year. We're also actively gathering data and setting targets that relate to each of the strategic indicators. That work will be critical in how we determine success and choose our investments in future budgets. So as I said in the beginning, this is truly a transformational moment for our city. The work that we have done together to get us to this point is commendable, but we have a lot more work to do. So mayor Adler, councilmembers, community, I am honored to present to you today with my proposed budget and look forward to maintaining an open dialogue as we move toward adoption. Thank you very much. [Applause]

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>> Mayor Adler: The next steps associated with the budget process so people now, on Thursday at our council meeting there's a resolution to set what would be the maximum tax rate. It's not the tax rate

that we would eventually set, it just sets a bar above which we won't go. And then we have a series of budget meetings during the month of August when the council will have the opportunity to ask more detailed questions of the manager and of staff on areas. Of course, under our charter it's the manager's responsibility to present a budget to the council and then it becomes the council's and then the council will work on that budget. We have, again, those special called meetings that are set and then the first or second week of September we're scheduled for the council to approve a budget depending on how many meetings it will take us to actually get that -- to get that done. And I think that's our process. Manager, I really appreciate and it's exciting to see a budget that is organized consistent with the strategic planning exercise that the council went through. The first ever I think strategic planning that anyone knows that a council has gone through and beginning with interim manager Elaine Hart and then your work, the council has been going through that process now for over a year. Annual you can see the discussions we had, the input from the community during that process reflected in the budget. It's important, I think, as people listen to this, we have a legislative session that's coming up. Most of the tax increase that we see in this area is the result of the state property tax that goes to

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schools and then leaves us so I would urge everybody to urge the legislature to work on finance because there's a limit to the impact we can have, but we have to be mindful of the fact we are trustees for that portion of the tax revenue. So manager, I appreciate that. Does council have anything to say before we adjourn? Good job to you and your staff. And there's a reception downstairs. With that said, it is 10 minutes after 4:00 and this meeting is adjourned. Manager, thank you and your staff. [Applause]

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>> Good afternoon. How is everyone? Can't hear you. How is everyone here? Great. Well, thank you all for being here today. My name is Anna. I'm the chair for the Barrientos Mexican-American Cultural Center and I welcome you to our beautiful destination of imagination. What can I say? This is a destination of creativity and for artists this is where they have their home. And I thank you very much for being here. Today I take great pride in welcoming you here to our main gallery and one of the best exhibit spaces Austin has to offer. You know, 30 years ago the site had little to offer. It was the city of Austin garage, home of the fleet maintenance department. Carved out of the barrio of the Rainey Street neighborhood. At one point it was not even considered favorably by developers, and look where we are now. This gallery, this precious gallery is named after Sam Coronado. And this building came with much sacrifice and persistence for our Mexican-American and Latino community and all who supported this cultural center over 30 years ago. The artwork you see here today is by Andy Villarreal, a visual artist that resides in San Antonio. We opened our doors back in 2007. Since then we have exhibited and presented over 1500 artists and performers and served over 5,000 children through our camps and special events. I take great pleasure welcoming Mayor Adler, who has given much of his time and

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services, which I know is a priority for councilmember Houston. I'd also like to recognize at this time our new director of public health,

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Stephanie Hayden, who is spearheading these efforts and doing a fabulous job. [Applause] In all, public health will see more than a million dollars to increase their capacity and expand preparedness and prevention activities. We'll invest another \$262,000 to keep up with the increased demand for immunization services. We're also increasing funding to improve access for low-income seniors and will bring on a staff member to focus on the age-friendly action plan. We know that climate change has both health and infrastructure impacts in our community. Ensuring our resilience to a changing climate starts with protecting our trees. We'll invest. >> Additional \$300,000 to improve protection of urban forest through enforcement of our tree code. That's on top of the continued efforts of our sustainability office and Austin energy to make Austin a net zero emissions by 2050. Our investments in green building, community solar, alternative power generation and electric vehicles will continue to play a big part in those efforts and I thank mayor Adler for his leadership on this subject. We also know that access to parks and green space can have a direct impact on both mental and physical well-being. Just having access isn't enough, though. Those resources need to be safe and well maintained. It's no secret that there's a long maintenance backlog across our parks facilities that needs to be addressed. And I know that this is a priority for councilmember pool and I intend to see that we do just that. We've added five new positions to help address the general maintenance needs of our parks, trails and facilities. And at the neighborhood level we've committed additional funding to ensure that our playground surfaces are safe and maintained.

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Next year we are proposing an additional \$1.8 million for preventive pool maintenance funded primarily through a small increase in entrance fees. We also have some big projects like waller creek and lower onion creek that are beginning to take shape and we're investing in new staff to support those continued improvements. You've made it clear that when it comes to culture and life-long learning, our most creditall issue is supporting and maintaining the creative industries that make Austin what it is. In fact, it is that creativity and uniqueness that lured me to Austin to serve as our city manager. We know the people who support Austin's cultural backbone have been hit particularly hard by the affordability issues in Austin. You will see \$78 million dedicated to this outcome. I think we all realize that in many ways we're trying to catch up with a rapidly changing environment for our creative industries. Our rapid growth had put pressure on both the artists and the venues that support them. I know that you started working to address this issue prior to my approval and I know it's not something we can hope to solve in a single budget cycle, it's an issue that extends beyond just one outcome area of our strategic direction. But while we continue working to fulfill this direction, spearheaded by councilmember kitchen, on the artist access program, we're also increasing support for the arts space assistance program and extending

it through the fiscal year 2021. That's in addition to the \$16 million that economic development invests each year to support the arts and the \$3 million in capital improvement funds for art in public places. We'll invest \$1.4 million to support continued renovation and rehabilitation of Austin studios and continue to work with the private sector to

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encourage support for both live performance and public art. Of course we'll continue to find ways that we can meet the goals and objectives of the music and creative ecosystem resolution in the coming year and I anticipate we'll continue to iterate and add in future budgets. Next is the safety outcome. First I would like to talk broadly about our overall investments in public safety. As you well know, public safety is the largest component of our general fund budget. The safety outcome also includes portions of a number of other departments like communications, technology management, and watershed protection. In total, we are investing almost a billion dollars in this proposed budget on our safety outcome. The two most critical conversations have been about police staffing and about fire infrastructure. This year we've added funding for 33 new police officers. 12 of those were added to the budget previously but not funded and six will be designated to the airport. We've also increased the staffing for victim services. While this satisfied some of the immediate needs around community policing, it is critical that we secure a labor agreement before we make decisions about future staffing levels and how they may impact the budget. In response to fire infrastructure needs, we've added 16 new positions to the new onion creek station to make sure that that is operational. And thanks to the leadership of councilmember Garza, we have also set aside \$5.4 million to begin work on new stations in del valle and Travis country. We will also access rate on issues that address gender in equities that remain in regarding fair administration of justice, we can start with the lease

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and buildout of our new municipal court facility. The move will allow the municipal court to consolidate operations and perform more efficiently than the current situation allows. Ultimately, this benefits anyone who interacts with our court system. Our current plan is to move into that facility by June of next year. Consistent with the quality of life recommendations, we've added \$300,000 for immigrant legal services to help immigrants and refugees understand their rights and get the legal help that they may need. [Applause] But the biggest factor in the fair station of justice is ensuring our law enforcement officers are prepared to work with our diverse and changing population and that our residents trust our officers. I'm happy to say that we're funding training that will help our officers better understand issues of racial equity and learn effective deescalation techniques. I want to recognize and thank our newly appointed police chief Brian Manley. [Applause] And our police monitor, Farrah muskodin. For their courage leadership to ensure that we work with both our departments and our community to keep our city safe. Along with that we need to ensure that our police body camera system is reliable and well maintained. Otherwise we can quickly lose the trust and confidence of our community. We're investing

another \$200,000 to ensure that the 1700 cameras we're using to perform -- perform the way that we expect them to. I'm looking forward to completing the negotiations with the Austin police association so we have some budget certainty moving forward. As I mentioned, that will

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lead to a broader conversation about future police staffing. Next is mobility. I know that for many years mobility has been a primary concern for austinites. Ensuring accessibility and equity of multimodal transportation options is a foundational solution to many of our transportation challenges. In total you will see \$238 million in operating funds and \$389 million in capital funding allocated to support our investments in mobility. Passage of the 2016 mobility bond was a significant moment and will continue to execute on our contract with the voters. We have a \$52 million spending plan to continue that work, but we all know that that is just the beginning. Next year we'll invest another \$4 million in safety and bike way improvements with a goal of executing all of our plans within the next five years. Transportation demand management has proven to be a successful tool in managing peak hour traffic performance and it merits further investment in the coming year. Much of the remaining multimodal work is integrated into broader capital spending plans and many of our corridor plans include considerations for metro rapid routes as well as bicycle and pedestrian improvements. Some of the trail work that I mentioned earlier, waller will creek, for example, will also play a long-term role in addressing mobility challenges. Some of our near-term investments begin to come on line, I think we'll also be able to better determine future steps that may positively influence this strategic priority. And finally, government that works. You have asked that we focus on the condition and quality of our facilities as well as the effective adoption of technology. This is the second largest portion of the budget,

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investing \$780 million. I've already mentioned the number of investments we're making to improve the condition and maintenance of our facilities. We've talked about the increased investments in parks maintenance and in our public safety facilities. We've also talked about the continued renovations in our fire stations and the move for the municipal courts. Behind all of that thanks to councilmember alter's leadership, I'm happy to say we fully funded facility maintenance for the first time since that new financial policy was adopted. Keeping pace with our technology needs, not to mention the expectations of a tech-savvy community, it is fightings for our metrics of success to make sure we are moving forward in this could you tell come. The right technology can rest barriers and provide actional data for decision making. Our biggest investment in the coming here is in our workforce. We have \$8 million set aside to begin our transition to a modern and agile human capital management system. This is about how we recruit, how we hire, how we train and develop our most valuable resource, our incredible city employees. It's about the succession planning and ensuring that we are investing in future leaders. In this budget you'll see other moves towards modernizing our services. That includes new case management system for the municipal courts, upgrades to critical public safety technology

infrastructure, and updating the systems that run and meter our water and wastewater systems. All modernizing efforts that have been championed by councilmember Flannigan. We're also making some significant investments to improve the safety and security of our I.T. Infrastructure, which is more important now than ever. And I want to note that we're adding a position to the telecommunications and regulatory affairs area who can focus specifically on

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improving our turn-around for small-cell wireless permits. I also think it's worth noting we'll add four new positions to the office of performance management to help us focus on improving the efficiency of our operations. I believe that the foundation of governments that works is ensuring that our taxpayers continue to get the best value for their investment in city service. Before I close, I want to reflect a moment on the work session where you all set these budget priorities. In addition for the ten strategic priorities, you instructed us to work to limit fee increases and rebalance a percentage of our budget that goes towards public safety. I'm happy to say that we achieved both. We are proposing a small increase to your transportation user fee, but for all other rates or fees for basic services, including Austin energy, Austin water, resource recovery, drainage utilities, for example, our projected -- are projected to remain flat or even in the case of Austin water to decrease that will occur driven by council's action earlier this year to reduce the rates. You also directed us to do our work under the assumption of a tax increase around 6%. The budget we're presenting today reflects a tax rate that is 4.9% above our effective rate. [Applause] The truth is thanks to councilmember troxclair's leadership, many taxpayers will see an even smaller increase due to council's action in June to increase the general homestead exemption from 8% to 10% of eligible property value. Taking this into account, we project that the tax bill for an owner of a median valued house in Austin will increase by just over \$5 a month. Given that, later this week

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I encourage you to set the maximum tax rate at your original 6% target, or even below that. I believe that we can do -- we can do that without unduly restricting our ability to deliver on your priorities. None of this would have been possible without your ongoing guidance and the support of our amazing staff. When the process is working the right way, the strategic plan is the manifestation of the community's priorities and the budget is a manifestation of the strategic direction. I believe that we've gone a long way to realizing that with this year's proposed budget. This is just the beginning though. As you know, I am reorganizing my executive team around the strategic outcomes in this coming fiscal year. We're also actively gathering data and setting targets that relate to each of the strategic indicators. That work will be critical in how we determine success and choose our investments in future budgets. So as I said in the beginning, this is truly a transformational moment for our city. The work that we have done together to get us to this point is commendable, but we have a lot more work to do. So mayor Adler, councilmembers, community, I am honored to present to you today with my proposed budget and look

forward to maintaining an open dialogue as we move toward adoption. Thank you very much.  
[Applause]

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>> Mayor Adler: The next steps associated with the budget process so people now, on Thursday at our council meeting there's a resolution to set what would be the maximum tax rate. It's not the tax rate that we would eventually set, it just sets a bar above which we won't go. And then we have a series of budget meetings during the month of August when the council will have the opportunity to ask more detailed questions of the manager and of staff on areas. Of course, under our charter it's the manager's responsibility to present a budget to the council and then it becomes the council's and then the council will work on that budget. We have, again, those special called meetings that are set and then the first or second week of September we're scheduled for the council to approve a budget depending on how many meetings it will take us to actually get that -- to get that done. And I think that's our process. Manager, I really appreciate and it's exciting to see a budget that is organized consistent with the strategic planning exercise that the council went through. The first ever I think strategic planning that anyone knows that a council has gone through and beginning with interim manager Elaine Hart and then your work, the council has been going through that process now for over a year. Annual you can see the discussions we had, the input from the community during that process reflected in the budget. It's important, I think, as people listen to this, we have a legislative session that's coming up. Most of the tax increase that we see in this area is the result of the state property tax that goes to

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schools and then leaves us so I would urge everybody to urge the legislature to work on finance because there's a limit to the impact we can have, but we have to be mindful of the fact we are trustees for that portion of the tax revenue. So manager, I appreciate that. Does council have anything to say before we adjourn? Good job to you and your staff. And there's a reception downstairs. With that said, it is 10 minutes after 4:00 and this meeting is adjourned. Manager, thank you and your staff. [Applause]