

# City Council Work Session Transcript – 11/27/2018

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>> Mayor Adler: All right. I think we have a quorum. It is Tuesday, November 27th, 2018. This is the work session. We're in the boards and commissions room here at city hall. It is 9:10. Ordinarily we would take up government that works. Jimmy is not here. It's the two year budgeting deal. We'll hold off on that for a second. Let's get the briefing on -- we have some briefings to take here this morning. We have anti-displacement and also the water forward discussion. Let's move forward with the anti-displacement one. Are those folks here? Oh, Jimmy is here. Why don't you hang on one second. Let's do -- let's do the budgeting, the government that works.

>> Flannigan: Mayor, council, as staff gets situated, just another reminder this is an installment of our now ongoing discussion of the strategic alignment of government that works. We continue to really appreciate the dialogue that the council is having on ensuring that we're thinking definitely about how we can improve on providing the best services to our constituents, and this work session, as previewed by the discussion two weeks ago, and an email was sent out to you for some background information and a message by councilmember Flannigan was also on the message board giving some additional background information, but we're looking forward to talking broadly did biennial budgeting. With that I'll turn it over to Ed van eenoo who will tee up the topic.

>> Good morning, mayor. Yor pro tem is not here yet, members of the council, Ed van eenoo, deputy financial officer here with Kim Oliveras, our chief performance officer. We did put out a one pager just to give you a little bit of background on biennial budgeting.

[9:13:50 AM]

You see there in the handouts you should all have, the government financial officers association defines two-year budgeting simply as a document that details the government and its appropriations for expenditures and revenues for a two year or more budgetary period, but the documents adopted a one-time. And then I think it's key that once this multi-year budget is approved, minor adjustments are made in the off budget cycle. So I think that's really key to really making two-year budgeting work is when you get to that off cycle year you're just making minor adjustments. It's not a major overhaul of the budget. I

will note that it's an uncommon practice for local jurisdictions and there's potentially reasons for that. When we looked into the 50 largest U.S. Cities and only four cities, San Francisco, Portland, Oakland and Dallas, are currently using two-year budgeting. Not that there's not other cities that do it, there are larger cities, but among larger cities it's not a terribly common practice. State law for the state of Texas and the city charter both require annual appropriations, so we still would have to come to you every year to do the appropriations for the budget, but that in no way precludes doing a two-year planning cycle. So we think we can definitely work with that. Some of the potential benefits, and there surely could be others, would be taking a longer term perspective, could well result in a more strategic allocation of resources just in the same way that the five-year perspective of the strategic plan is more so than the one year. Potentially a two year would have more strategic allocation than a one-year budget. During those off-budget cycles would give us an opportunity for staff to conduct other tasks such as program reviews, strategic realignment, more efficiency improvements. And one of the flavors that's been kicked around about two-year budgeting for a big city like Austin where there are all these enterprise operations would kind of be to be a rotating two-year budget where in one cycle you would do your general fund and support departments and then in your next cycle you would overlap that with a two-year budget for the enterprise.

[9:16:04 AM]

And then the next year you would do general fund and support services and then the next year go back to enterprise dents. So that results in a potential benefit of being able to get more into depth on some of the enterprise budgets which typically when you look at our annual budget cycle the general fund is about 25% of our total budget, but it consumes probably 80 plus percent of the time of the folks on this dais. That's generally where a lot of the pressure points are in the process. So 75% of the budget represented by enterprise departments sometimes feels like it maybe doesn't get as much attention as we would like it to get. If you flip that page we just kind of outlined some of the questions. We think that people would want to talk about. As you look to whether or not you want to pursue a two-year budget cycle. I'll lay out at the top that concept that really came from councilmember Flannigan's, the first person I ever heard mention that idea of still doing annual budgets, but doing this overlapping cycle, two-year budget general fund and then next cycle do the two-year budget for the enterprises. Some of the questions to consider, though, is what is your comfort level with really only engaging in budget discussions for a group of departments every two years can. So it's laid out here in biennial budgeting would require limiting comprehensive policy discussions about department budgets to once every two years. The second year that cycle would generally be limited only to appropriating what's in the second year of the plan. And what opportunities or challenges do you see in this? Some other questions, how will emergency funding for unanticipated events be addressed? Does the criteria for midyear budget amendments need to be revisited. And if we're in the first year of the budget and revenues fall short, how will we handle that in the second year of the budget? And then finally, just a question about how will unexpended funds be handled?

[9:18:05 AM]

Will they be carried forward? If you think about a two-year cycle where a department instead of having a 100-million-dollar budget for one year, they maybe now have 100-million-dollar budget for the first year and then another 100 million for the second year. If they have savings in that first year are we going to carry those funds forward so that the department really is taking that two-year perspective, or is it still going to be handled where you've got your first year of appropriations, any savings you have just revert to fund balance and now your second year you still have to work within what you had for that second year? So I think these are some of the things you will want to consider and think about. We do have a second section on the other topic reconsideration/reduction of programs, so maybe I'll stop on the two-year budgeting and see what your comments are on that topic first.

>> Mayor Adler: Jimmy.

>> Flannigan: I'm really excited to be having this conversation. Thank you, Ed, for laying it out. It's something I've been thinking about for a couple of years and I had a budget intern really do a lot of the research and I posted that on the message board yesterday. It's not an idea I had in a dream that suddenly now we're talking about. It's actually a thing. And the parts of it that I found the most interesting and the most valuable were the ability to support departments having longer term planning so they could more reliably know the decisions they would be making today and tomorrow and then that would tie back to the decisions we would be measuring. Overlapping that with the strategic planning process which started the day I got hire, it started to become very clear that that was going to be essential for departments to reliably know what they were going to be doing. Digging into the enterprise departments I think is key for a number of reasons, but also there's another piece of this that I think is really valuable for the community. It's kind of half transparency, half effort. And we've seen the same groups come to us every single year, ask for money every single year, and it's quite an effort for those folks too.

[9:20:12 AM]

And for them to say -- for us to be able to say to them, we're going to spread this out and provide more input to the community to say, you know, even numbered years are the years your groups need to be thinking about the city's role in your work. Instead of what we find is the ones that are the most politically savvy get to us early and the ones that are less politically savvy get to us late, we can have a much more focused effort into the community to say here's how this process is going to go. So I think there's a lot of benefit to this. And as Ed said, because in that middle year you're still technically passing a budget and a tax rate and all those other things, it doesn't really preclude you from making course corrections of any size, but as Ed and I have spoken on multiple occasions, this really only works if we hold ourselves accountable to making those midyear or those interim years as minor change as possible. But like as we all know, nothing we do outside of a charter amendment, is going to tie our hands in the future. So I look at this more as a planning process and less as a budget process, but I think there's a lot of benefit we can be accruing to the community and to ourselves and really to the staff. So I'm hopeful -- I'm excited to hear what everyone else thinks.

>> Mayor Adler: Ann.

>> Kitchen: Well, I have a couple of questions. I would want to understand how this works with regard to our strategic priorities and the metrics we've set for ourselves because what's of interest to me is getting to a place where we're actually investing and getting results. So I don't have a thought one way or the other whether this helps us or doesn't help us, but I would want to think about it in line with that because as I said, I think an overarching priority of ours is we've got to figure out how to -- we've been aligning our budgets now and we're just starting, but we've aligned our budget to these areas so the my perspective is moving the needle on the metrics.

[9:22:29 AM]

So my question is does this help us or not in terms of moving the needle on the metrics. An the second question I want to understand better is these other cities what has been their experience? How long have they done it? What are the pluses, the negatives? That would be helpful for me to understand also.

>> Mayor Adler: Leslie.

>> Pool: Ed, could you talk about in process --

>> Kitchen: I'm sorry, that was actually a question for Ed if he had any thoughts on those. So Mr. Mayor, I was -- I didn't pose it right. I apologize, councilmember pool, but I was actually trying to ask a question.

>> Mayor Adler: That's fine. Ed, can you address what the experience has been of those cities?

>> Kitchen: And if you have any thoughts related to the metrics?

>> So we've looked into their budget documents. I've not picked up the phone and talked to the folks who have implemented it. I know in Dallas it's fairly new. It was brought to Dallas with the new city manager who came from Tacoma, Washington where they did two-year budgeting. He came to Dallas and said he wanted to implement two-year budgeting. I don't know if it's been in place in Dallas long enough to get a sense of how it's been successful. I could follow up with some of these other jurisdictions, talk to them in person and see what their experiences have been. I can just tell you somewhat cursory by looking at their budget documents and seeing how their presenting and bringing forward their two-year budget it appears to me to be a little more the flavor of we're still doing annual budgeting, but that annual budget also shows what we think the second year of the plan will be like. But every year we're coming back and having the budget discussions and making amendments to the -- the second year of the plan almost serves as a starting point in that second year of the budget. So it's kind of more like a rolling -- it's an annual budget with always a second year outlook as opposed to the way it's done in a lot of state legislatures where it's your two year appropriation, we're going back home, see you in two years. It's truly done at that level.

[9:24:32 AM]

We can't do that because we have to do the annual appropriations, but I think to really get the benefits that have been talked about from two year budgeting you need to have the mentality of we're going to plan this out for two years. We will come back midyear to set the tax rate and to appropriate the second year of the fund. There may be some minor changes, but if we're completely redoing a community engagement process and a whole council priority setting process we're still doing budgeting at that point, just calling it two-year budgeting. Looking at how these documents are laid out and presented, I think it's probably more the flavor of what I said without repeating all that. In regards to strategic direction 2023 and does this help or hinder that, I would think that it would help us some. I don't want to make it sound like shoot, if we don't do two year budgeting we can't make progress on the implementation of the the 2023. I do think when you actually get a body talking about hey not just for the first year, but the next two years, what do we want to do, implement, in order to move the needle on these metrics and some of these metrics take longer than 12 months to actually see movement in. Maybe just that longer term planning perspective does help you make more strategic decisions. And I think your third question had to do -- the name of the game is moving the needle on the metrics. I would say that staff certainly agrees with you on that. And again, ion't think it's precluded by one year budgeting versus two year budgeting.

>> Flannigan: If I could add to that briefly. Part of what spurred my thought process on this was watching prior councils make an investment and then the investment was we'll take six months to find the people and three months to train them and by the time you're in the next budget cycle you've only had the program for three months, there's no metrics to look at. And they say it's still important, let's throw more money at it.

[9:26:34 AM]

And you are in this cycle that you haven't used the money you started with before it's the next budget cycle.

>> Mayor Adler: Staying on this point, do you want comments on this point? Let's stay on this point for a second. I think everybody of the wants to comment on that.

>> Tovo: I had a question.

>> Mayor Adler: We'll get to that in a second.

>> Pool: Ed, I think you addressed some of this in your answer to Ann's question just now, but what struck me is this may not be too different from what we already are doing because many of our programs are expected to be long-term. And to the extent that the stakeholders have come in and talked to us about what they would like out of a particular program or change to operations goes into the future. And I also don't see how making two years the appropriation which clearly we can't anyway, will change us getting the metrics the way we get the metrics. If it's a new program it's going to take a little while to get them anyway. And so that is part of the debate and discussion about continuing a program on. And for new programs we look to see are we at least meeting what we thought they would

even if we can't measure everything in it. So can you tell me how going as far as we can by law to a two year budgeting process, how that would actually be different from what we do currently?

>> If I'm following your train of thought kind of correctly, if we're implementing some new pr homelessness, the results is whether we're doing one or two year budgeting are what they are, and if we are doing two year budgeting if we're not going to see the results of program for two or three years it's not going to change by how presently we do the budget conversation. I would say I agree with that sentiment. One thing I maybe didn't think of earlier was this idea that in the non-budget cycle, say if it's the general fund department we've already laid out our two year plan so we're not going to go through a boards and commissions, council engagement, that's all that staff time being spent on that, we could have the expectation that the staff is actually looking at their existing programs and the success or not success of those programs and kind of feeding into this next topic of well, what kind of realignment or reconsideration of programs that -- might we do?

[9:28:56 AM]

So you might see some -- that might be another area where, you know, we could actually get into that really more program evaluations, looking at what's working, what's not working and those off cycles so then we could come back to the next two year cycle and say, we're recommending realigning some programs to better achieve the results of strategic direction 2023. That's work that all has to be done by the same people. It's like your budgets staff, your financial staff that are going to be leading that kind of work and that kind of program review, that kind of analysis, and if they're caught up doing budgets every single year and it's a long budget cycle, they don't have as much time as we would like them to to evaluate existing programs.

>> Pool: But are the budget staff doing the program evaluation or are the department staff doing the program evaluation?

>> Well, there's corporate budget staff, my staff, and then there's budget staff in the departments. And I would say it's both really. I would see my staff getting involved in some of that work, but also of course the departments who are the subject matter experts being involved in that work. I'm just telling you the way it is right now. And we basically have from October through December where we're kind of -- have time to do that kind of work, but from January on we are working on our financial forecast, laying the groundwork for our discussions with our boards and commissions, financial forecast, priority setting with the council, community engagement, all that work leading up to proposed budget. You know the process. It's a nine-plus month long process every year to do that budget. So I think there would be time freed up, capacity gained to do some other work with that staff if we were only doing that kind of work every two years.

>> Pool: Would you be reporting the program metrics and analysis in year two talking about budget for the next year?

[9:31:02 AM]

>> I guess what I'm getting to is it seems like you're right, there would be some less work on specific looking at the budgets, although you would still have to be because we need need to appropriate something second year from the biennium. That may be less detailed work in some areas, maybe, maybe not, we don't know, but that staff would still be engaged in getting feedback through the various processes that we already have in place.

>> And it could be more internally focused, not so much what new programs or new dollars do we need to add to budget. We've already had that discussion as part of the two-year cycle, but in that off budget cycle maybe there would be an expectation that we would come back and say, hey, we've used this free time that we have to really look at existing programs and we're going to come back with a proposal to realign some program dollars from one area to another area. More a realignment exercise is a possibility.

>> Pool: Even if the metrics -- even if they're missing like in a new program. You were saying you would need to have at least two years probably --

>> That was the thinking about that we would implement something in 2020 and in 2021 we would already be talking realignment. I'm talking about a program that has been going on 15 years and hasn't been reviewed in a long time and we would look at that program. And it may be perfectly fine, but there are ways to implement it more cost effectively, serve more people at a lower cost and get better results by doing some type of process improvements work during that downtime.

>>> Pool: But we still do that work currently, right?

>> We do do that work, but I don't think we do enough of it. I think potentially I would hope one would benefit if we were to go down this root we would have more time during those off cycle years to really dig into those type of questions.

>> Mayor Adler: So I am interested in the same question that councilmember kitchen asked in terms of actually talking to those folks of saying what has your experience been, what drove you to do that and has it met that if there was a change that was involved.

[9:33:10 AM]

It's hard for me to look at this and really have an opinion on it because I don't know that I have the capacity to critically evaluate the two. I will say that I'm concerned about our council's discipline to be able to actually say we're not going to get into that part of the budget because I think when we get together we would get into those budgets so that measure of discipline. But when you described what Dallas did that seemed to make some kind of intuitive sense to me to actually have departments present a two-year plan. It's almost like a one year forecast. This is my budget that-- this is what I want to be doing this year. This is what I anticipate it to look like because in part it gives an interesting perspective of what we do this year if I knew how the department was going to be the next year. So while you kind of dismiss what they did in Dallas, that's -- that seems like an interesting concept to me where you --

every year they present their budget for that year, but also what they anticipate the following year to look like too. That seems like an interesting concept.

>> And we could -- if that's where you wanted to go, we could easily do that because we already have all the background. Part of our five-year financial forecast we're doing a detailed look for three years. The fourth and fifth year of that forecast are not as precise. For three years we already are working with our departments on what their cost drivers are going to be, what their budgetary needs are going to be. We're looking at different council priorities because we're never going to be able to implement all of your priorities in the first year so we're looking at what might be strategies for how those could be spread out over time and we present some of that in our five-year financial forecast to you. I think it would just be a matter of going a little -- a fair bit more into depth what that second year would look like, but we already have most of the background to do that as a matter of presenting it.

[9:35:11 AM]

>> Mayor Adler: Kathie?

>> Tovo: I had a quick question, but now we're sort of beyond that so I'll make a couple of comments and then get back to that this is an interesting concept to explore. As I hear the discussion, I think to some extent what Dallas -- what you've described Dallas doing isn't wildly different from what we do when we look at our program budgets and departments come forward and say this year we're paying for -- we're putting money towards integral care one year. We put money towards some assistance for housing and then the next year we provided some money for the services or something like that. Very often when we're having conversations we're talking about what's going to happen the following year how a particular -- that certain staff would be hired now and then additional staff the following year once things get rolled outful. So that's really more or less formalizes and provides more information about what that next phase on would look like. You know, my initial thoughts on it are just in thinking back to some of what we handled in this last budget year, obviously mcot was new information and that was a very significant expenditure that we'll step forward and make some decisions about. And I'm not sure I can think of a year where we haven't had some significant -- really significant emerging need that had to be addressed, and I understand there would be provisions for that. But I think to better -- I will first need to be convinced that there's a problem here that we need to resolve, that we need to solve for before we make a major shift. I'm certainly interested in continuing to entertain the conversation. But councilmember Flannigan, you talked about programs that we have funded and then have taken six months to hire staff for and we haven't really been doing the metrics for them before we've added more funding the following year. And I think it would help me evaluate this idea better if you provided some examples of what those -- a couple of those programs where we're not providing additional funding for existing programs where we have say with homelessness funding, but funding something brand new and then the next year funding that again.

[9:37:31 AM]

>> Flannigan: I don't have that example off the top of my head. I was watching from the outside so I didn't have the benefit of being inside all those internal conversations. That's not really the primary driver of this conversation for me. That was just what spurred my thought process on rethinking budgeting. What I get more excited about is what Ed laid out about, the economy of staff time and the effort that we reproduce in that second year that maybe we don't need to reproduce if we did a more two-year look in that first year. Is it necessary to do community wide budget conversations in the second year or might that be better done every two years with a better focus or could budget staff to Ed's point, not just his, but in different departments, have other work they could be doing in that second year that was in support of other goals. So that's why I think this fell into this government that works conversation because to me that is the most compelling argument and that is to your question the problem that I think is best solved with this idea of the economy of staff time related to this budget process.

>> Tovo: Just to expand, I think that saving on staff time and saving is -- and having a more efficient process and seeing how we can do that in a comprehensive way makes sense to me. If you have examples, I think we should -- I think it would be useful to hear them. Because I don't want the public to think that we are in a practice of funding something and then putting more funding into the next year before the programs have been running. I'm just not thinking of any examples. So it may be that looking out when people are looking out, it and that that's what we're doing that those were existing programs or something like that. So if there are certain examples, those would be useful to evaluate.

>> Mayor Adler: Alison and then Ms. Houston.

>> Alter: I think my colleagues have covered a lot of the points that I wanted to make, but I do want to reiterate the interest in understanding better what other cities that have used this have done and how it's been beneficial. And like Mr.

[9:39:38 AM]

Flannigan, I think the real benefit is are we using our staff time and our council time most effectively to make the changes that we need to make to achieve our strategic outcomes. And I don't know that as a council person we have a full understanding of what is going on on the staff time -- on the staff side throughout this process, but we have -- we understand that it is a longer process, but we're not in those meetings and we're not participating in those so it's hard to understand how much of that is duplicative or how much of that is good management and good practice anyway and the budget is what's forcing those things to happen. If all but four cities are doing it this way, it may just be a check on the management and the part of the budget and the council's role in approving the budget is an important part of oversight. And so I would like more information both on what other cities are doing, but also on how much time are we actually spending on budgeting and what portion of that would we actually save by moving to this other system. I think that there are details of this that then dove tail with the other topic and I'll wait until we transition to that.

>> Mayor Adler: Ms. Houston is next.

>> Houston: Thank you, mayor. I'm intrigued by this. It sounds very interesting. I too would like more information from San Francisco and Portland about how they've done it, how long they've done it, what efficiencies they've seen. I see it as being a proactive way to manage not only staff time, but council time because we'd be focusing on the general fund one year and pay all of our attention to that. Meanwhile that second year staff would be focusing on what they're doing and making tweaks and the ability to be nimble that second year before they come back that third year to present another budget.

[9:41:48 AM]

I think it's a great way to be able to pay special attention to the enterprise funds and the general revenue funds and not do it all at the same time. So I'm looking forward to the information that will come back to us.

>> Mayor Adler: Greg.

>> Casar: I also really appreciate getting the chance to talk about this. I haven't had much time to look into it. My staff tried to dig into it a little bit and it seemed like overwhelmingly lots of states were actually moving from biennial budgeting to annual budgeting. And in trying to read and understand why they were doing that, I think there's a lot of really interesting information around why states were moving from biennial ones to annual ones, and why there's so few cities that do biannual budgeting. Despite that, all this conversation around -- I am interested in what the other city's experience have been. I have found in my conversations that Austin's political culture is so unique that it may not really -- like in trying to understand why states were going from biannual to A.M. To help me idea why their system is better, it's that their experience is so different and other cities' experience are so different. Ed, you were talking about at budget conferences that people were like, you presented in two binders. And nobody did that and how much time we spent on it. I think it can be challenging, but I think it's a blessing in many ways that our community pays as much attention to budget every year as it does. So I think my larger point here is that I don't know -- in trying to spend just some time yesterday preparing for today to try to learn from other yards. I just think that Austin is just very unique in its city hall culture and we may have to figure some of this out figuring out within our own model and our own staff time and our own goals.

[9:43:55 AM]

Some of the critiques of biennial budgeting were that the status -- it's harder for the status quo to change. But when I think of Austin I can think of how well actually if there were discretionary budget planning for two whole budget years, that may not actually be the case. It may actually shift the status quo in bigger ways. So every time I was trying to read the critiques of it, I thought it was very compelling and interesting, but when I thought about it in the Austin context it didn't actually always fit or make

sense. So I don't know if this was illuminating, but that -- in trying to spend some time thinking about it yesterday, it was interesting reading because there was a push in congress to go to biennial budgeting and appropriations and there were interesting pieces about why that would be good or horrible. And interesting stuff around all these states, I think like five times as many times R. States in the last four years went from biennial to annual in the last 30 years and can you read about that. But again, I just don't know if it fit my concept of how Austin works because we just -- when I talk to other councilmembers from other cities about our budget process, they have some mix of jealousy for our civic engagement and how much we care and talk about it and also fear.

[Laughter].

>> Mayor Adler: Leslie. Fooled when you bring back information for us --

>> Pool: When you bring back information for us, could you add maybe some of your best professional assessment of how a biennial approach to budgeting would fare if the revenue caps were put on at the draconian level that they're being talked about? I don't think is going to has been, but it could be something significantly lower than what we currently. And I know that your budgeting forecast we really rely on those. And you've already kind of told us what it might look like with maybe a four percent.

[9:45:55 AM]

So do you think you could update those numbers and kind of add that into the mix?

>> Yeah, I think more broadly that's kind of a good example of when you have a major shock to your system. We had adopted a two year budget this year and then next year we learn we won't have as much budget opportunities as we thought we would, that would -- in that kind of example you would just end of doing a full budget process in that second year of the budget. So to the extent -- and councilmember tovo's example of mcot, there's always going to be major shocks to the systems that requires major reconsideration of that second year of the budget, I can assure you it's going to take more time that first year of the budget where you're doing a two year outlook, you will do more time to prepare, more time to present and if you're still doing the whole process in the second year of the budget more often than not, it's going to have the opposite effect of taking more staff time as opposed to less staff time. It's somewhat of a wild card how often those major shocks, like the four percent revenue cap, would come into the system that would require a major overhaul of that second year versus just no, we've got a two year cruise control for that second year. It's kind of an unknown, I think. It may be something we can learn by talking to these other jurisdictions.

>> Pool: Yeah. And how nimble can we be. Thanks.

>> Mayor Adler: Manager.

>> Mayor and council, thank you for this discussion. I think it is good to be thinking about our budget process in the future. I think we have some takeaways to think about. As we start the term with the calendaring with the new council this will be an important discussion to say what might we want to look at for even next year's budget that could potentially prepare us for biennial budgeting in the future or

even planning more than just a one year plan and a five-year plan, but really a multi-year plan that this process could help present.

[9:48:06 AM]

>> Mayor Adler: Further comments on this before we move on? Alison and then Jimmy.

>> Alter: I just wanted to see if we were going to talk about the other portion.

>> Mayor Adler: Okay. Do you want to speak to this?

>> Flannigan: Yes. I just wanted to thank the manager and the staff for thinking through this question and just to note how important it is for us to have this government that works conversation because you can't really have this conversation as you're kicking off the next budget. You really have to do it right now. So I'm really excited that we're doing it, that we're actually sitting down and having these non-sexy conversations before they become sexy so that we can really think through and give staff enough lead time to consider how we might innovate some of these processes. So I want to thank everybody for that.

>> Mayor Adler: Alison, did you want to speak to programs?

>> Alter: I don't know if the staff had something they wanted to start with first.

>> Just to bring to your attention on the second page of that handout, we did just lay out some questions that we thought were essential. And to me they really boil down to two things. If we're talking about reconsideration and reduction of programs, which programs or services should we be reviewing? We're a big conversation, four billion dollar budget, there's lots of things we do. And some of the -- some of them are fairly granular. 50,000-dollar programs or 100,000-dollar programs. So having some sense of the types of programs we should be digging into and reviewing would be very helpful because it just almost feels overwhelming to say we're going to review the whole city at once. I don't think that's really feasible. And then the second, like what is the criteria we should be applying in order to make the decisions about potential program realignments or reconsiderations. I mean, some of the obvious ones would seem to be alignment to strategic objectives. Is the program well aligned to strategic objectives? Is it meeting our performance goals? Taking a look at things from an equity perspective might be all the types of things we'd want to consider in making a determination whether or not a program should be reconsidered or reduced, but those would be the kind of things we would want to get more input from you.

[9:50:11 AM]

Are there specific areas you want to see us look at and are there other criteria than what we've laid out here that you think would be good criteria by which we evaluate programs?

>> Mayor Adler: Alison.

>> Alter: Thank you. I want to call my colleagues' attention to a budget question that I asked in the summer. Question number 28. And the request for what programs has the city stopped doing from fiscal year 2014 to 2018 year to date? Please provide the name of the department, the program and the dollar amount that the ceased activity represents? From 2014 to 2018 there were 14 items listed. Eight of them were for Austin energy. Programs. And if you look carefully some of them look like grant fund things that may have been stopped or not necessarily general fund things that have ceased. And so clearly there have to be some things in four years that we as a city ought to be stopping doing so that we can address the pressing challenges that we all agree on. And right now we don't have a process that gets us from what we're doing to what we all agree we ought to be doing by reallocating funds and stopping dove springs things that we shouldn't -- and stopping things that we shouldn't be doing. So I wanted to first of all raise awareness of that and draw your attention to that question because I think that says a lot about what we're doing as a city. What I'd like to do is just mention a few things today and then maybe have some individual conversation with Elaine and Kimberly as follow-up. I wasn't aware we were combining this with the biennial budgeting. So we've been working a lot in thinking about how we sunset and put together this process, but I don't have it all pulled together in as clear a way as I would like and I would like to review it with staff before I share it with my colleagues. We need to have an ongoing cycle like we have for assessing fee schedules.

[9:52:13 AM]

So for when we have fee schedules there's an ongoing process where departments get reviewed on a regular basis whether their fees reflect the cost of service. And this is just built into the process and every couple of years every department that has fees they have to go through this process and then we adjust the fees based on that. We don't have anything like that in place to look at programs over time, whether they're functioning or not. We need to have a baseline kind of process so that we can look at things over time and do this in a systematic way. It's not something that we can take every department in the city and do at once, but once we started, once we start to build that in to new programs, over time it can become a habit. I think as we think about moving forward with something like this, we need to be really careful to understand the incentives that departments have and understand what we're trying to achieve. I would much rather have a department say that they shouldn't do something that they shouldn't be doing and then invest in something else that's important for that department, than for them never to bring up the fact that they should stop doing something because they're fearful that they're going to lose resources. So we have to set this up I think as we begin with a process that has some assurances and some safety mechanisms for those departments that feel like they have some things that they can move forward with that they can have an opportunity to come forward with those without being fearful of losing resources. Another thing that I wanted to raise is that this is not just an efficiency exercise, it's also an efficacy exercise. We are ultimately in the business of delivering services to our citizens and our community.

[9:54:17 AM]

So we need to be measuring INGs on how well we're delivering those services, we have all of these metrics, as these metrics evolve we can build in along with the strategic planning process ways of assessing what we're doing so that we can realign. If we think that homelessness is the key priority we may need to stop doing delivering bottles to so and so for something. I don't even know what program that would be, but there are things that we need to stop doing in order to prioritize because money doesn't grow on trees. We do not have unlimited resources. This is a best practice. The state has a sunset commission. We have to think about how this would work. We've identified some different opportunities of places where you can build this in so as we move forward say with the new plan for nhcd for how they're going to spend their federal grants we could build into that process mechanisms for review, mechanisms for outcome criteria. So there's a lot of ways that we could do this. And I think Dallas also has this so one thing that might be part of this process is looking at some of the other cities. We've done some of that work and I would just like to continue this conversation and we'll be bringing some more information for all of you to look at how we might do this and think about this moving forward.

>> Mayor Adler: Ann.

>> Kitchen: I want to comment on the sunset approach. I think that we do need a process and I think it's a natural component next step kind 6:00 component to the strategic plan that we put forward. So it's the piece that we next need to build in. And I know that staff's been thinking about that. I would suggest that as we think about the sunset process,, and we may want to call it something else to avoid confusion, but I think that we -- again, my focus is on getting results from our investments.

[9:56:31 AM]

So to some extent we can look department by department, but only if we're -- from my perspective only if we're really looking at the programmatic or the metrics that we're trying to move the needle on. And those don't always align to the specific department. So there's some challenges. We can think -- you all can think about how that might work and suggest an approach approach, but to my mind it's more important to make sure that we are examining what we're doing to move the needle on those metrics. And that's really some cross-departmental kind of analysis. And to the extent that we do department analysis, I would really want it to be tied to the -- what we're trying to achieve because I don't think that we can determine whether a program is important to keep unless we are doing it in light of what we're trying to achieve.

>> Mayor Adler: Manager, there's a background with that. For years ago we talked about doing a sunset process of some kind. And we weren't really sure how to do that. And the council actually pulled \$500,000 and put a budget item to figure out how to do a sunset process as part of the budget issue. But there was no real direction or scope to that and no one really knew what that was. It was out of that effort, in the spending that \$500,000, that Marc Ott created the new department, kind of the internal

department review issue that was looking at individual departments. The \$500,000 that we had put aside for sunset review ended up getting in the following budget year spent on other things because it hadn't been spent because we didn't figure out how to do that, but I concur with the conversation that Alison raised and we talked about it in the last budget session, about trying to get departments to say this is a better way for us to go but to try to really find programs that could roll off, too, and I think that's a priority of many, if not most, if not all of us on the dais to figure out how to institutionalize that.

[9:59:08 AM]

>> Appreciate that. And as we kind of wrap up this segment of the discussion today, it is not lost on me that even the process in which we went through to create our strategic direction and focusing on those larger objectives, not only the alignment of the budget, the alignment of my senior team, we're gonna be able to see how we're doing with those metrics that were developed and approved and adopted by council. And over time we'll be able to look at exactly that. Are we making progress? And if we're not, what are those areas that we need to refocus, we purpose -- repurpose those efforts and that may be sunsetting some programs, looking at reductions in different areas. We are just setting the building blocks, the foundation for doing that in a systematic way. I appreciate the great work that has happened over the last 3.5 years to get us to where we're at but more importantly where we're going to be going in the future. I support these efforts, support this conversation. I look forward to more in the future.

>> Mayor Adler: When we talk about metrics, too, we're not quite there, right? We've identified areas. We haven't really identified the metrics yet. At some point are we getting back into the strategic planning process to formalize the specific metrics?

>> Yes, we had some metrics that had been adapted. We looked at staff with the mobility outcome, to look at metrics associated with that. We will again with the new term make sure that that council is approving and adopting what we have going forward.

>> Mayor Adler: Sounds good. Dole yeah.

>> Garza: I just wanted just an idea as we're having this discussion if there's -- I don't know if there's research been done where you see social services best bang for your buck kind of thing, but, like, you know, one of my priorities has been early childhood and there's a valid argument that maybe we wouldn't have the homelessness population we have if government had invested in early childhood programs and supporting families, and so it would be interesting to understand, you know, those kinds of things.

[10:01:23 AM]

Also, you know, there's organizations that they -- and I absolutely -- you know, I'm always annoyed when people say, well, you know, we can get philanthropic dollars for that because I absolutely believe that government needs to be helping in social service areas. But councilmember Houston often made

the point that if an organization always knows they're getting X amount of dollars a year they're always going to depend on that X amount of dollars a year and there needs to be a better way of the city making it clear that, you know, in some situations we'll provide seed money or, you know, every year your funding will be reduced -- we'll help you get started, we'll help you with your program, and if we're not seeing the results or whatever there's a way to every year bring down that funding a little bit so organizations know that they can't just depend on those dollars. But, yeah, I'm concerned about just because we want to put a focus on homelessness doesn't mean all those other programs aren't helping some way, so it's a combination of the two, I think, but anyway.

>> Mayor Adler: Yes. Greg.

>> Casar: I'm glad that we're headed in this direction and looking at this work. One thing that I just anticipate we'll find is that many, many of our investments will move the intended metric, but it's hard to know if we had invested in something else if we would have moved it more. So I think that's part of why it's hard to sunset a program or to not do it, because we have good staff and people that care, when we provide money towards something it's usually not a horrible idea. I would imagine the vast majority of cases. Even if they find some mistakes, I imagine smart people find ways to learn from that and adjust and use those resources in a better way, in a way that ultimately produces a positive outcome. I just think that we're gonna -- when we look into -- I mean, when you look through all the city audits that we regularly do, usually there are positive outcomes.

[10:03:26 AM]

The hard thing is if we had taken that money and invested it in something else, could it have been much better, can we stop doing it the way we're doing it and find a way to make it significantly better? I don't know if that's where we're at yet. I'm afraid we'll go into this process and find out many of these programs are good so we're not going to end them because they're good when we don't have the ability to say it could be so much better if we did this instead. I just think that's the more complicated, difficult part that we need to figure out how to work on, to say this program reduced the incidents of homelessness by X but because we've been doing this other work over here and studying it over there we realize if we move this funding over this way we could actually reduce it by X times two, or whatever it is. I just want to -- I think that the reason that some of these programs haven't been ended is because of quandary. I don't think we're going to find so many things that aren't doing about G. I want to be explicit about that, I think that's why we need to get our metrics and our goals for those metrics set up, so that we can ask the really hard question, that if we are at this level of number of working class folks inside the city versus outside the city and we're trying to move the ball so that we have more working -- even more working class people inside the city in five years we could ask ourselves the hard questions of what is it going to take to get there? If we just say let's look at our existing programs and say let's see if they're effective or not, we're gonna find they're probably not good enough to getting us to our goal.

>> Mayor Adler: I'm not sure it's looking at whether they're effective or not necessarily. Let's assume every program we're doing is perfectly effective. It might not be the right priority now, so that the

analysis not only looking at effectiveness but is this where we want to be spending the money or is there a greater need or more apparent need that's just different?

>> Casar: And I think that may be good, too, just, again, however -- we may find that oftentimes in those cases we're going to say, well, it's still really important that this spay neuter program exist or lend a book program, and when those programs, some are 30 or \$40,000 programs, I just don't know how much is going to move the needle.

[10:05:50 AM]

So my anticipation is that it's going to be the biggest chunks of money we'll have the biggest questions about and those big chunks are going to be effective but as effective as if we reallocated them in some way.

>> Renteria: Mayor.

>> Mayor Adler: Pio and then Jimmy.

>> Renteria: I just -- we have in the past created programs to address a lot of these issues, but we're at that point where we just got to go [indiscernible] With the growth that's been going on in Austin, and so, you know, that's the way I see it. It's just a -- you know, the growth has been so great and people have been moving here to Austin, and we just -- it caught us off-guard. And we didn't create enough housing, you know? We didn't do enough job training. So that's what we need to really catch up on. So that's what I'm going to be looking and focusing on.

>> Mayor Adler: Okay. Jimmy and then Alison.

>> Flannigan: So I agree with kind of all of the things that have been said. Your point, Greg, is I think right on the money, that it's kind of like does this program spend a thousand dollars per unit of good? But there's another program that would have done it for nine hundred and how would we know that and -- it's very complicated. That's why I kind of see this less as some process the council is going to run through and more a charge to the manager to say, you know, as you go through your new hiring process and building out your executive team and thinking through the structure of your organization that the council will back you up if you come to us with changes. I think is the question. Not that we're going to identify them because it's almost too in the weeds for the job we have in the city. But that you come with your staff together and say we're gonna reallocate 5% of the money because 95% of it is what it is, right? Police contracts and all that but this 5% we're gonna shift this way and it's gonna piss off those 40 people.

[10:07:53 AM]

We know those 40 people because they're in all our offices. You need to know that there's going to be support on the council for entertaining that, that debate and I don't know that that support is always

easy to find. But I think to me that's how I see this, less as a formal council process and more as, you know, find a way to manage the city in a way that will daylight these things for a council willing to support you in that effort.

>> Mayor Adler: Alison.

>> Alter: I think as we think about how this might work, it's gonna look differently across different kinds -- sets of problems. It's gonna look differently at different sets of programs. And part of what having a formal process, whether it's the management level or with council does, is it creates a space, it creates a culture where you have to have those kinds of conversations and where there's an expectation that as a city you are going to look at whether you could get more bang for your buck doing something else and that you're not gonna just do the same old thing because you funded this organization forever. Innovative companies that make Austin great do this. You know, they also allow folks to fail and move on to do something that's more effective. And part of this whole process is creating that culture in which it is okay to look at something and say, hey, we could be being more efficacious doing X if our goal is Y. But if we never have the opportunity to have those conversations and we don't create a culture in which that happens we won't be having those conversations. And from what I was able to get with the little data that I have, we don't do that very well unless we're only doing it within sort of departments about pieces of money that they can move around administratively during the budget process. But the larger amounts of money are not there. I think we're trying to to have this conversation as we look at public safety and trying to understand whether money is spent better on, you know, different elements, so, you know, we talked about in the budget process that if sexual assault is where the crimes are, then maybe we need to be making investments in that area.

[10:10:06 AM]

Those are kinds of conversations that this can also open up, but we have to create the space and the expectation that we're open to those and then backing up, as Mr. Flannigan mentioned, the management to be able to make those difficult decisions. Because they don't bring things to us because they don't think we'll support them because of the political process so this advertise our hands a little bit at certain times so we can make the right decisions.

>> Mayor Adler: Got you. We spent an hour on it, which is what we said we'd do. Let's go ahead. Thank you guys, very much.

>> Kitchen: Can I ask a question?

>> Mayor Adler: Yes.

>> Kitchen: What are the next steps to this conversation? Do we have next steps? Will you guys come up with next steps for this one and let us know?

>> For both of them it was talking to more jurisdictions and getting more information to bring back to this body. I think there was enough desire from some individual councilmembers to have follow-up conversations to hear what you have been hearing and researching. I think that's going to be important

but we will be coming back early in the term next year to be able to talk specifically about the budgeting process, because we're gonna set dates and we're gonna talk about overall the priorities and engagement that we want to have with council moving forward. And then regarding this, I think the first step on the reconsideration or reduction of programs is really honing in on our metrics. I think that was a clear next step that I want to make sure that we are all on the same page on as a body to know what work has been going on in staff and then to formalize and adopt that with this council.

>> Kitchen: Okay. Thank you.

>> Mayor Adler: All right. Let's go on now to the displacement report and we'll do the water report after that and then we'll do the pulled items. Are we doing executive session today? Two items.

[10:12:09 AM]

Okay.

>> Mayor, council --

>> Mayor Adler: Congratulations on the naming of the Frisbee course in the park, and immortality here in the city of Austin.

[ Laughter ] Go ahead.

>> Mayor and council, I'm Erica Leak, acting director of the neighborhood department, it's my pleasure to introduce the co-chairs of the anti-displacement task force. They're going to provide a very high level summary of their recommendations, but we also just passed out the full recommendations, which were also sent out to mayor and council yesterday. So they can certainly entertain any questions you may have.

>> My name is [ saying name ], I'll introduce myself briefly. I first of all want to say thank you, mayor Adler, for appointing me to the task force and being able to serve on behalf of the city of Austin on a challenging issue, both for Austin and many cities across the nation. I also serve as executive director of six square in councilmember Houston's district. Thank you.

>> Good morning, mayor, council, city manager. And thanks for the invitation to present and just to serve in this capacity. It's -- it was a long journey and I think we got to a good place, but it was a little rocky at the beginning, but it's a tough issue, as you all know, but a very important one.

[10:14:19 AM]

I do want to -- I would be remiss if I didn't say thank you to the mayor and council and city manager for the recognition, you know, in terms of the dedication last week of the disk golf course and I mean the fact that it's a disk golf course is a special thing to me and we can talk off-line about why that is but it's

kind of mixed feelings at first about it because you don't do community service for recognition, you do it to help people. But it was until I saw my family and how proud they were, they came literally from the four corners for the dedication so it was a special moment and thing to share with them. So it kind of made sense once that happened, oh, it's not for me, it's for them, and for the kids that were there, kind of playing disk golf. So thank you for that, very special, something I'll never forget. One of these days if you want to play around, I'd be happy to guide you through it. And then also, you know, I would be remiss if I didn't recognize the cann reps from the city of Austin, councilmember Renteria and councilmember Flannigan, for serving. Also, again, councilmember Renteria and mayor Adler for being at the dedication last week since it was Thanksgiving week and really kind of made an effort to be there and share some very special words. I think -- and prior I think councilmember Houston served on the cann board as well, and I think so did Ann kitchen. A while back, right? So that's who I represent on the task force, and I was kind of just kind of selected by the group of 17 people. So it was a pretty group of people. More than just your typical 11 member task force, and Ms. Jackman and I were selected to facilitate the process and I think we got to a good place.

[10:16:24 AM]

And it's a pretty exhaustive and -- list of things, but what we're going to try to do is not go into every specific suggestion but show that there's a framework sort of behind this because you can look at it and start looking at how much is that gonna cost, how much is that gonna cost and we can't do all of it. But I think the idea is that we can do -- take action in different areas, right, that are highlighted and that the important thing is that we take action. That's why the -- it's not called a final report. It's called representations for action, right? Because patient of what we heard from the community was a frustration in terms of addressing the issue and so we hope this report kind of helps us move forward and bring the issue kind of to the front burner, again, although I know a lot of folks on this council are very strong advocates for housing and for addressing this issue in particular. So we're gonna just kind of start by summarizing the process a little bit and summarizing the report and then just having a dialogue with you for as long as you're willing to talk. So if you want to take the first page.

>> Sure. Basically we started with a group of 17 members that were appointed by both mayor Adler and city council, and our charge included five key areas for action, which included preserving and expanding the supply of affordable housing throughout Austin, controlling land for community development, preserving and growing small businesses and cultural assets, and helping residents increase income and expand assets, and also with that we want to make sure -- we were charged with identifying financial strategies to ensure that all of the recommendations could be funded.

[10:18:27 AM]

>> And just a little bit about the process. I think we had our first meeting sometime in December of last year to launch the process. We met monthly and received briefings on a variety of issues. We had three

public forums, one in central east Austin, one in kind of north east Austin and one in southeast Austin to get feedback on the issues more particular to those areas. We reviewed recommendations from reports that have been -- that are related to this issue going back to 2000 and there's no shortage of reports that are related to this issue so thank you to the city auditor for helping us kind of sort through that a little bit. You know, part of the challenge with this issue is that a lot of the things that are -- y'all are dealing with in realtime are issues that relate to displacement and so we were being asked to weigh in on current events without having a set of formal recommendations yet. And so you did get some feedback from us on the people's plan and the soccer stadium and I think we were about to do codenext suggestion or recommendation but when it got pulled that was not adopted by the task force. We have four work groups that were developed, that were established, right, to kind of come up with recommendations and that's why you see the four different sections, you know, of the report. And finally the task force finalized its recommendations November 9. We took the next to week to, again,

[10:20:32 AM]

-- I think for us I think it's -- and the next section I think is the framework that we'd like for you to kind of focus a little bit in terms of the things that are important, right? And most of these recommendations will fall under one of these points in the framework. But part of it is that, you know, it's a framework for making Austin not the capital of just Texas but the capitol of diversity, inclusion and equity. And if you look at the narrative in the report, right, in the beginning and at the end of the report you see that that's really what we're after here, how do we make Austin more inclusive and more equitable, and that's in the spirit of the work that the mayor's task force on institutional racism and systemic inequities is doing, but how do we put this issue of displacement in a broader context, right? So you'll see some of these recommendations may seem unrelated or tangent but just kind of know that's the overall framework and view that the task force took, that it's important not just for what we're dealing with now as a community, but because of the historical dynamic that occurs that led to the point, had point in time, and you can't ignore that historical legacy. Before we get into kind of those bullets on the framework, wanted to give that context.

>> Just following up, I think it is very important. It was important for the task force to understand to put some of the people who had been most impacted when developing and crafting the policies and recommendations, considering the most vulnerable of Austin's citizens and population. All we both represent organizations that are based in east Austin, where we're facing according to the UT report, some of the greatest pressures from displacement, our concern was also looking at cities -- or communities throughout Austin so that they don't face the same outcomes as east Austin.

[10:22:38 AM]

So some of the major -- the themes of the recommendations were we included recommendations to expand public expenditures for housing affordability dedicated to low-income households, coupled with

carefully crafted density increases and thankfully the bond issue passed, so we have some of the financial resources available to address many of the recommendations that are in here. And then there was also adopting government initiatives it produce more affordable housing and provide housing access across the city. We know it is not just the quantity, but it is the affordability of the houses, the housing stock that is important. Placing an equal emphasis on the preservation of affordable housing as we do on new construction as well and I am also currently working with -- I can't remember the department, but it's the historic office with CARA, identifying how we can create historic districts to preserve other areas. So we are looking at that continuing and engaging local business community and philanthropic institutions and we do believe that the city has a responsibility to establish the policies, but there can be a bigger investment from our philanthropic organizations to support the crisis that we're in.

>> Just to kind of highlight a few more of them, of the major themes, part of it is we should have a legislative strategy, right, for some of the ways the legislature has limited it, limited us in terms of the tools that we try to use to address the issue but then when we try to use them then we're told you can't do it or we won't let you do it, which is unfortunate.

[10:24:39 AM]

But that doesn't mean we don't stop trying, right, to regain that or ask for some kind of authority that we think will have an impact, right? That maybe has a better chance of making it through. And I know there are state delegation is working on that, and the San Antonio delegation, too, there's a state rep in San Antonio really interested in this issue of displacement and trying to put forward some legislation. And taking intentional efforts to preserve diverse culture legacy and small businesses and community assets and cultural assets. I think that that's -- I want to commend the council on they didn't just say tell us what to do about gentrification, right, or displacement, you literally kind of broke it down into homeownership or just affordable housing opportunities because, again, that's an interesting thing. I've been involved with this conversation for a couple decades and it's the first time we really bring in the issue of displacement of renters so I do think there's an evolution of the concept or the view of the issue but also bringing in the small business issue, right, because we know that as the demographics of a community change the support for those business and other institutions also changes or wains and that limits their ability to remain also in the community and of course the cultural and historical assets, right, again, also suffer when you don't have the communities there who are supporting, right, those efforts and keeping those traditions alive and then the last bullet before we kind of just open it up for some discussion is that there's a -- kind of an engagement part of this, right, that it's not just kind of pointing the finger at somebody and saying you do something, right, and that we see a lot of that, you know, in this town, and you're usually on the other end of the pointing, right?

[10:26:39 AM]

But I think that it is kind of how do we do this in a way where you're engaging the impacted families, right, whether renters or homeowners, but how are we proactive in reaching out and engaging them in a way that helps them find the resources they need? There's the issue of creating some resources, right, that maybe don't exist but even when we have the resources how do we reach out to families to make sure they're taking advantage of the supports and likewise the small businesses, right? We can support small businesses or cultural organizations kind of what does that look like and do they even know, you know, that these supports are available? And that also that we want to engage philanthropic organizations, businesses, developers. It's not just a city issue, it's not just a county issue. We shouldn't look to the city and county to solve this issue because it's so much broader than just one institution so we need to bring in businesses in different neighborhoods, we need to bring in developers, we need to bring in philanthropic and anyone who thinks this is a challenge or doesn't like what's happening and creating avenues for them to be able to be a part of something that's coordinated and integrated that can have an impact. So that's kind of a very, very broad overview, if we want to get into specific sections we can, although I guess we're more sort of focused on specific parts of the report, Ms. Jackman and I. But I do thank city staff who supported the rose, Rosie Truelove was involved, Mandy Demayo, Erica Leak and Matthew Ramirez. John is here as well, one of the task force members. I'm not sure if there's any others. Thanks to the task force members for really putting in a lot of time and very thoughtful approach to the issue because I think the level of knowledge was -- and just commitment was off the charts, but I think we all came together, you know, in the last two, three months and really kind of brought it home.

[10:28:55 AM]

So thanks, everybody, four four -- for your patients as folks who were trying to facilitate a process that I think got us to a good result and, again, we're happy to help answer any questions, you know, about sort of how we got here and sort of what some of this -- these things mean. So --

>> Mayor Adler: First, I want to thank the two of you for your leadership with the entire task force. This is a lot of work. And I recall that when this came up with the council, when we created this task force, we were looking at the last ten years of repeated attempts and initiatives by prior councils to take a look at this. I recall that the appendix, which was I think the mayor pro tem initially created, that the staff then ended on it was voluminous with respect to the past efforts. And the recurring theme had always been why is it that we do these studies and then something doesn't happen next? I think that it was incredibly valuable to have the task force go back through and pull all the things together and to categorize them the way that you've done in the report that you have generated, together with prioritizing the things and suggesting, based on the work that you did, where the greatest focus needs to be across other areas. So your work coincides with the work that was done by the people's plan and their proposal. It was a resolution that council passed that asked staff to take a look and vet those ideas and let the strongest rise to the top. It also coincides with the work that the mayor pro tem's office and my office have been involved in. We've been involved in with policy link, which has had a cohort of cities working with one another to compare anti-displacement initiatives and practices trying to find what needs to -- or what could happen.

[10:31:00 AM]

And it also coincides with the work that council did with the housing blueprint and a request of staff to tell us how we best implement that. And my understanding is -- and if you could correct this, that all of these things seem to be coming together right now, including the question of the new housing bond that the community thankfully passed this past November and that in February, as I understand it, staff is going to be wrapping their arms around all of these things and then coming to council in February. Can you, just so we have that perspective, can you talk to us about what's going to happen next in that regard?

>> If I could build on something you said real quick. We did try to be very thoughtful about all these things that are kind of evolving or emerging as we were doing our work but we did try to footnote the report where we had elements that related to the people as plan, right? You may not see it word for word but we tried to include sort of the specific sort of spirit and actions I think that were brought forward. You'll find almost all of them there in some way but they're footnoted in a way or kind of referenced in the body of the recommendation. And we did the same thing with the UT report, uprooted report because we knew we'd get questions about did you review it and which ones should we do. So we did try to also note where we did pull from that report things that we thought were relevant and could have an impact but we didn't include all of that of course even though we have quite a few recommendations. But, again, we tried to strategic given the framework, the way we were looking at the issue, what makes sense to pull from the people's plan or UT report and that's consistent with what the task force members sort of were articulating. Thanks.

>> Mayor Adler: I thought that it was helpful.

[10:33:01 AM]

>> Good morning, Rosie truelove. Mayor, you got a really good summary of the things we have on our plate. If you look at these individually, between the documents that you referenced, including the task force -- the report on systemic inequities, analysis of impediments to fair housing that have been done in the past and we expect to be completed in anticipation of the consolidated plan for the city of Austin, we have about 300ish recommendations you shall consider on sticky notes that we're spending some time trying to align and come up with some commonalities and see how we can create a good viable implementation plan that really is implementation of the strategic housing blueprint. That's a number of the recommendations that have come forward. Since adoption of that we've had a number of other reports including the report just presented today and the people's plan and the UT study. So we're spending some time trying to kind of come up with an approach that would allow us to tackle all of these things in an integrated and, you know, comprehensive way. And we anticipate bringing that back to the housing and planning committee at the February meeting. And that's going to include an implementation plan for the 250 multimedia general obligation bonds, we anticipate additional staffing we will need to be able to accomplish all of this in the time frames that have been allocated. We're very excited to have all of this information that's before us and to have the opportunity to take what is a lot

of great ideas and work to, with the communities, help translate these into some actionable plans that will really help the affordable housing and displacement gentrification issues that the community is facing.

>> Mayor Adler: Okay. Thank you. Greg.

>> Casar: I'd like to thank, first of all, everybody for participating in all of our organizations for coming together in this work. And also thanks for y'all's strong recommendation on the housing bonds.

[10:35:04 AM]

It was a big gamble for I think everybody on the dais to put such a bold figure out there but I think the community really responded, so thank you all for your urging in that respect. Now we can go and do the right thing. Some of the big take-aways I took from this was that many of these items that we haven't been doing for too long but many of them that we're starting to actually work on. I was really pleased to flip through this and see many of the things y'all were bringing up have recently been sponsored by a variety of members. I don't have to go through them, but I do think that it's important to start acknowledging that while

[indiscernible] Sat on the shelf and there's been too long a list of things we haven't done, when you flip there there actually are a number of things where council and staff started picking them up as you were working on it. I think that's an important shift. I also appreciate you have recommendations on homeowners and renters. While so often as the councilmember mentioned we have focused on homeownership, which is really important and we want more black and brown homeownership in this city, as it stands right now I was just looking at the demographic data, 75% of African-Americans in Austin rent right now and over 68% or 67% of Latinos do so we can't be talking about gentrification and displacement and ignoring renters if that's, you know, three quarters of or two-thirds of communities of color in the city right now. So creating homeownership opportunities is important and we need to do it but we have to be able to talk about both, and I appreciate y'all really highlighting both in the report. I also just want to -- now that we have the staffing in place to start looking at doing affordable housing development in places like the crestview station in councilmember pool's district, St. John property and mine, I just want to highlight that we have a real opportunity to show off a lot of these policies and how we could do it right on some of these pieces of public land.

[10:37:08 AM]

Just thinking about that Home Depot property, speaking for myself and my own district, I mean, y'all talk about developing affordable housing on public land, talk about using some tax abatement and tax exemptions we haven't used in the past for affordable housing, we can do these sorts of things on these pieces of property, right to return, right to remain policies to bring people back to a historic neighborhood like that one. I think we have such an opportunity to do that in one concentrated piece of

property, while complying with fair housing laws. I just think there's definitely a way we can do that and utilize the bond and make sure that new housing has a lot of the tenants rights expansions that y'all have studied and recommended here. So I'm excited, you know, we can try to do as many of these things as we can citywide but I think that we have such an opportunity on some of these pieces of public property to show how -- what it looks like if we do eight or nine or ten of these recommendations in some of these targeted areas in ways that maybe we should have been doing for a long time. But we are where we are now and I think we just have -- I really take this as a good charge of how can we ask our staff as we embark on redeveloping some of this property for affordable housing to say how many of these things can we do on this one piece of property? How many of these things can we do in conjunction with the housing bond spending? So thank you all for sort of having a long laundry list. Even though so many times people say it's so long how are we gonna do it all, I think we do have to do some - - do some of these things so I really appreciate it look forward to bringing this back up as we do the work with the housing bond and redevelopment of Ireland. Again, thank you.

>> Again, I think, you know, there are those things that I think that are already being pursued, right, because, again, there's a lot of things that are emerging as we were doing our work, but I do think that one of them is -- or a couple of them, I guess, one is when we look at our resources, right, whether it's the land that we control or the funding that we have for housing or the density bonus approach is that how do we get a variety of levels of affordability, right?

[10:39:18 AM]

You know, deeper affordability, especially, but also then long-term affordability, right? Because I know we've had that issue in the past where we lose large numbers of affordable especially rental units, and I know one of the recommendations that I know the city is already investigating is kind of the rental registry so we know where are the units and for how much longer are they gonna be affordable so that we don't get to the point where we're two, three years out of losing a couple hundred units and there's not enough time to really figure out how to extend that affordability and so I think some of those things, I know the city is already pursuing and just based on our conversations. But I do think that those are some G points and overarching issues I think came up on both I think the rental and homeownership side.

>> Casar: Oftentimes folks there's -- because sometimes we develop affordable housing that looks really good folks I think sometimes have misconception we have sat on the campaign trail with the housing bond that we're spending affordable housing dollars on high income rental excuse legally it's an important reminder we can't spend bond dollars subsidizing rental units unless it's people less than 50% of median family income. That means that's the very top, 50%. That means we're helping folks at 30 and 40% mfi with these bond dollars and I think it's important for folks to understand that. I constantly here it repeated these rental units are going to families with \$85,000 incomes and that just isn't the case so I think it's just important for folks to be reminded of that.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. Please convey my thanks to the members of the task force. I think they did an incredible job. It saddens my heart in a way that 40 years later we might start moving on some of this and that people have been talking about what's happened to most of my community for 40 years.

[10:41:22 AM]

So it's my prayer that this will begin to make some changes in how people live and where people have the opportunity to live in the city of Austin. So thank you all for doing that. I do want to make one minor correction to the members of the task force. Yvette Crawford Lee lived new district 1 in her parents' home until she could no longer afford the taxes so they moved to pflugerville and so she was my appointee, not the mayor's. I'm not sure how that got confused. But her dad was a lawyer here in town and her mother was a wonderful musician and they lived on staff Ford street. The house is still there but she's no longer able to live there because of the property taxes.

>> Mayor Adler: Okay. Thank you very much for the work. Anything else? Mayor pro tem.

>> Tovo: Yeah, I just wanted to extend my thanks, too. I think you've done really just a remarkable job of synthesizing recommendations from other reports and you have provided I think additional affirmation for ideas and recommendations that other groups have suggested and even that the council has initiated and taken action on but you've also identified some new strategies or some strategies from other places that weren't yet in the consideration. So I think this is gonna be extremely valuable. And I understand -- you know, and I actually had an opportunity to talk with the city manager yesterday about some of those resolutions and some of the work that we had initiated in putting the

[indiscernible] Which I see is identified as number 1. And that is, you know, extremely eager. I think we've gotten lots of feedback from the community that they would like to see a preference policy. We've passed a recommendation. So I hope that we -- I hope that, you know, as we move into that conversation in the new year that there will be priority placed on those recommendations where the council has taken action to say please create such a policy. We've gotten community support and community groups who have done the same because I think it is really a, as several of my colleagues have said, we're all very eager to take action.

[10:43:34 AM]

And I can address this after, but some of -- there are some pending resolutions for which I'm not sure where the action is. And one is the resolution that we passed to look into the potential of having a mortgage assistance program, which I think could get at some of what is contemplated, though not all of what is contemplated under the recommendation related to tax exemptions, kind of on an emergency basis so I look forward to visiting that. Lastly, I'd like to suggest, because the work of the council has been so integrated and so focused on housing and these issues and we've passed multiple resolutions I would like to suggest that perhaps that presentation in February be at full council so that all of us can

engage in that conversation. I think it is really critical and we've already -- many of us who don't serve on the committee already invested and have moved action in these areas. But I thank you so very much again for all of the work. It's really -- so I think we had a conversation about how this could -- how this task force could advance the work, and I think you have really just provided such valuable, valuable plan for us. So thanks.

>> And I did want to just add, mayor pro tem, when we do come back, it be at the full council or the housing committee first, we will be including updates on all the pending resolutions. There are a number of them and they're all incorporated into the -- our master list of recommendations so to speak. So there will be updates that will be coming forward on those if not sooner.

>> Mayor Adler: Okay. Thank you all very much. I think that there's going to be, Rosie, a huge anticipation in the community when you come back in February.

[ Laughter ] For that, both to see the kinds of recommendations that you made and the priorities that you set but also the speed at which we're going to be able to implement things and start moving forward.

[10:45:51 AM]

There was the -- manager, the response that we did with respect to the displacement. That was, again, one of the directions from council that was saying please look at the immediacy and urgency limitation of these kinds of things the same way we looked at trying to get into the ground very quickly on the mobility bond, where we were able to move towards sidewalks and other things that could be happening in the community very rapidly and I think the expectation is going to be similar for this. Yes, Ann.

>> Kitchen: I have a question that doesn't need to be answered right now, but maybe, city manager, or you all can come back to us with that. You know, with the passage of our bonds we put language in the resolution about the bonds for a report back to council within 90 days of passage of the bonds. And the purpose of that report was to bring forward -- and I don't remember all the language, but basically to bring forward the implementation time line and that sort of thing. So I am gonna want to -- I'm wanting to understand the timing of all these various pieces. So perhaps it would be helpful, city manager, if you guys could come up with a time line for us, because we've got -- we've got the implementation for a range of bonds through the -- through what we just passed. We've also got implementation of the corridor, the corridor plans and the other 2016 mobility bonds. That's coming back to us too, and we've got interconnections between all of these, so that would be helpful to have some kind of time line so we understand that. Also, I think it is important to have these conversations at multiple levels, so I think it's important to use our committees to have conversations where we can delve into much more detail because we have more time, but to also use the work sessions. And so we've got the same thing going on with the -- with mobility and transportation because we have mobility bonds and a range of mobility planning that's coming back to oust where we're thinking in terms of delving into great detail in our committee, but then also, you know, the broader picture will be brought back to the full work session.

[10:48:05 AM]

So I don't think it's a

[indiscernible]

>> Mayor Adler: In fact I think it's already shown up on the agenda for the housing committee in February.

>> Correct.

>> Mayor Adler: Then it's been planned to come to the housing committee in February. Pio.

>> Renteria: Yes. I really want to thank you all for that report. But, you know, it seemed like a lot of these recommendations is gonna be -- you're gonna require some state assistance, legislation, so, you know, I'm very concerned because we're starting our legislation planning in January when they come back and meet, and some of these recommendations seem -- they're very exciting. I mean, especially with the senior home exemptions and these kind of recommendations for seniors, low-income seniors, but it seems like we're gonna have to make recommendations, and if we do then it probably won't happen until two years from now unless we can get it going really quickly and have our lobbyists lobbying for these type of programs and support.

>> And we will -- I just made note to make sure that we have an opportunity before we come in February to have some conversations with our government relations office to see if there's anything on here that -- get their perspective on things that would require legislative change.

>> Renteria: Great. Glad you're already working on that.

>> Mayor Adler: Yes, Leslie.

>> Pool: In listening to all of the questions and stuff and great review, thank you so much for all the folks who were on the committee. I really, really appreciate the work that you guys did and staff did as well. I have been musing a bit about the transfer of wealth that can happen, and I put wealth in kind of quotes because it may or may not be wealth to somebody else, but historically if you have been able as a family to buy your home and the property that it's on, you've been able to hold on to that and pay the taxes and have your taxes frozen when you reach 65 or whatever the programs are available to you and then if you pass that along to the next generation, then the protections that have been built in once you reach a senior age go away.

[10:50:33 AM]

And the homestead exemption skyrockets the next year, right? Even if it's in the same family. And I know that that has led to a lot of folks who may not have the wherewithal to hold on to a homestead

that the prior generation or two has held so dearly and tried to hold onto. And so I also recognize that this is not an area of taxation that the city has a lot or any control over, but when you had your conversations about how to hold on to a property to keep the wealth within a family without being then taxed through estate taxes and everything so you end up having to sell in order to make good on whatever the new taxes are, did that enter into any of the conversations that y'all had? And if so, did you have any thoughts about that that may or may not have appeared in this document because of the limitations for a municipality?

>> I mean, I think so, in the sense that, you know, one of the things we advocated for is kind of an office of housing stability, to get back at that community engagement piece, how do we engage with families, right, to find out what kind of help they need and to find out what resources are available. I think one of the things when the UT group was doing their research, I don't know that it ended up in their research, is that very issue of when you -- when there's a senior who owns a home who passes on and then the property kind of passes on to a family member that it immediately goes to market rate and so some of the research they had done is there's a way of actually putting something in place so that when someone else in the family, right, takes over the property, they can immediately at least have their homestead exemption on it. So I think that that's part of the reason kind of we need a vehicle, right, by which to have all this knowledge, being able to be imparted, right, to people who need help and for people to know there's an office or a number I can call to get help.

[10:52:40 AM]

You know, easier said than done, right, when you're talking ftes but we do think that's part of the challenge, is there are some tools available that not everybody is using so how do we help them with that, and then also, again, how to identify the gaps or things maybe that we think are not possible that are possible that, again, we can then impart, you know, through that vehicle. But I think that's one of the -- is there's several bodies that we kind of ask be created. One around this. One around sort of public oversight of public land trusts or community land trusts, right? For a variety of reasons that are articulated in the report. And also maybe some kind of oversight of public or advisory on the bonds, right? How do we get folks involved in some way in kind of the decision-making that goes into kind of some of these very important elements that don't exist and we know need to happen but what's the best way, is it an fte, is it an office, can they be combined in some way? I think that's one of the challenges, but I do think we have tried to think of those things, you know, where there are tools that we can't know of, how do we then let people know about.

>> Pool: It also occurs to me and maybe Ms. Jackman you could respond to this, if we do proceed with the concept of the land trust and are able to get some families into that, maybe we could also have an element of that be some kind of a five-year lookout where maybe the family wasn't able to do planning for that hand-off because maybe there was a illness and nobody was thinking on the future, they were really just focused on the present and the city could possibly help maybe with helping to underwrite some of the taxes that would come due so that it might allow a family who may be participating in a another program to hold on to that homestead longer until they can get their ducks in a row, so to speak, and then be able to take on whatever the additional burden may be for the taxation, where the

city may offer a helping hand to get over a time and financial hurdle where the end result goal would be that that family and that homestead would be able to handle it going forward.

[10:55:02 AM]

Just a thought.

>> No. Those are some of the -- most of the conversations that I have had with community members, since there are many older people who still have their homes in central east Austin area, where I am located, but we did not -- I mean, there was nothing that we knew of, the groups that, you know, on the task force that we could come up with any recommendations to answer that in a transfer of wealth, you know -- there was nothing that we came up with. So . . .

>> Mayor Adler: Thank you. Ms. Houston, is your light on?

>> Houston: Yes, it is.

>> Mayor Adler: Sorry. Ms. Houston, go ahead. Then Delia and then Jimmy.

>> Houston: Again. Thank you for this conversation. As you said, most of the elders, my seniors, this is -- has been a pressing issue for them.

>> Right.

>> Houston: For years, as how do they pass that opportunity for wealth on to the next generation. And some people might not want that, but for those that do, they don't have an opportunity. I know people get tired of hearing about my taxes, but I just got them the other day and so I know that my homestead, because I'm over 65 and the homestead, it's this year it went up to 6,600 some dollars that I need to pay by the end of December, and I asked them, I went out to the tax appraisal district to ask them, so what if I die and my kids now inherit the homestead? What would they pay? Almost \$11,000. And neither one of my children make that kind of money to be able to afford that. So without the homestead exemption and without the over 65, which is the major one, over 65 because aid property taxes are capped at over \$3,000, they wouldn't be able to stay in the home that their grandparents built that passed down to me that I was gonna try to pass down. So that's a real issue for many seniors in not only my community but the hispanic community, who are trying to stay there in the community as well.

[10:57:09 AM]

But I wanted to ask this question to -- about the land, the city land, the owning and buying -- we got an email yesterday about Austin housing finance corporation. Because I think we all think that that's city-owned land but that's a different portfolio. So if you could include in that the same thing, you know, that we asked for, mayor pro tem and I asked if you could given that to everybody on the council so we know

what your portfolio in the Austin housing finance corporation is and what plans you may have for use of that land.

>> Absolutely.

>> Mayor Adler: Delia.

>> Garza:

>> Garza: This was just to piggyback off the transfer of wealth concern. I think you did make recommendations to provide some tools for that, and so one is support the ability of low income homeowners to build an accessory dwelling unit by easing land restrictions. That's something that the city can do. So if an elderly person wants to pass on that property to somebody else they could -- the one right after that is to be able to subdivide the lot so they can remain in place. And then generate sale from the additional lot as well as reduce the tax obligation for their homestead because we know much of the value is in the land. While we have limited ability to address how taxing entities, what they value properties at and that kind of thing, there are some abilities in here that some of us have been working on to ease land restrictions, especially when we have arbitrary numbers for lot sizes and saying whether you can or cannot, you know, get the most out of your property, I think is something that would really help people. And I think one of the members of the task force has told me stories about he can't afford to buy in east Austin, but his mother lives there animal love to be able to build an accessory dwelling unit behind his mom's house so he can live in east Austin.

[10:59:11 AM]

So there was a lot of good information here that builds on work that we're doing. So thank you.

>> Mayor Adler: Let's do Jimmy and then we'll go to the water forward report.

>> Flannigan: Thank you, councilmember Garza. That was much of what I was also thinking. The motion of kind of longitudinal wealth, wealth over many generations, is really a thorny one. I'm not entirely sure WHA ou responsibility is to that. That's different than displacement. It's not the same thing. It's an issue, but it's not displacement. You know, councilmember Garza noted a couple of recommendations that might allow people to stay in their community the way councilmember Houston phrased it. I really like that phrasing. But there's also one that is counter to that. Number 37 that says there shouldn't be any increased density in areas having degrees of gentrification. That would counter the ability for folks to build ads. It would ensure gentrification because then only the next wealthy familiar could buy that house. So I have some concerns with some of these. I think it's a really impressive document and a lot of very hard work that the task force put together. But we have some difficult decisions to make as a city. And they're not as simple as we've allowed the conversations to be. I'll just leave it at that. Natured thank you very much for --

>> Mayor Adler: Thank you very much for the report.

>> Just to speak briefly, I think that's one of the things we struggled with, right, is because of the differing views on that and you highlighted sort of an inconsistency, which I don't see as an

inconsistency because I'm more worried about the projects that are not adding an Adu, but the ones that are going 70 units an acre, 100 units an acre and what's that's having in terms of setting land values, which is sort of the crux of why people are being displaced is because of ever increasing land values.

[11:01:12 AM]

So I think that that's where it's like owe ohm in areas like in the U 2 report that are identified as gentrifying or experiencing displacement is are there different ways of treating those areas, right? Whether it's through our current code, through the next code. But just making sure that we're thinking about that regardless of whatever we're passing in terms of code changes and regulations is making sure we're cognizant of the impact that it could have on displacement. And then we'll have a healthy debate about what the right thresholds are.

>> Flannigan: And I think the land value one is -- requires more investigation because I remember getting a presentation from the Travis county tax assessor, maybe the first couple of month that I was here, where she said that she only compares homesteads to homesteads. She doesn't compare homesteads to the 70 units an ache. So I don't know that it's as clear that allowing that necessarily drives up home prices and homesteads. I think it's far more complicated and imperfect a process that the tax assessor is forced to comply with, but I think it's a little more complicated than any new development necessarily blows up all the values surrounding it because that's not consistent with what we heard the tax assessor say last year. But a lot more work to be done in breaking that puzzle apart to understand it better.

>> Right, thank you so very much for the time and to the task force as well. Let's bring up water forward.

[11:03:13 AM]

>> Good morning, mayor, council. Greg Meszaros, director of Austin water. We're here for the second round of discussions on water forward. Since our first briefing we had an opportunity to provide one on one follow-up with some council offices, but Thanksgiving week we ran out of time a little bit so we're here to do some additional follow-up on some of the questions and comments and of course are available after this also. And mayor, we had kind of went through some of the points where we left off last time and questions, and we have a little bit of a structure today. We thought we'd maybe start off, there were several questions about implementation timing with regards to the plan, and we thought we'd start off with addressing some of those comments from the last session.

>> Mayor Adler: That sounds good.

>> So Mari, I think you're going to lead this discussion.

>> We've handed out an 11 by 17 copy of our implementation timeline that was also included in the plan report documents that you received. It's at the very back of the plan report. It's got kind of a

colorful document here. We just wanted to walk through some of the elements and talk through the sequencing and timing. We're actually going to start at the back on page 6 --

>> Kitchen: Could I ask a quick question? As you do that, can you let us know where you may have made revisions from the original one we looked at?

>> Yes. This is the same document as what was included in the planned report that you received before. But over the course of the planned development process we have adjusted the timing based on feedback from the community and the task force. So this is what you received previously.

>> Mayor Adler: So the adjustments were made prior to your first presentation?

>> Yes.

>> Kitchen: So there's been no adjustments since we had the last conversation?

>> Yes. That's right. So like I mentioned we're going to start on the very back on page 6.

[11:05:17 AM]

On this chart you'll notice that at the top there's a repeating sequence of events. Those first seven lines are actually related to the update of the integrated water resource plan since this is projected to be updated on a five-year cycle. So there are different elements that we'll have to work through as we update the plan, including doing preliminary analysis, procuring consultants, going through the plan update process, and then actually working through the implementation planning. So that's repeated on every page of this implementation timeline. Below that choose called option s-3 are the centralized reclaim system strategy. There are three lines related to that. On the left-hand side there are lines 114, 115 and 116. And for this strategy since this is an ongoing utility initiative, we've included a bar to indicate that we would maintain our approach and continue implementation, however there are certain check-in points that align with the updates to the plan. On line 115 you will see that there is a purple bar that aligns with us potentially identifying a refinement to the approach that we've decided on. And potentially making some adjustments in alignment with our adaptation management approach. And that's a continued symbology for all of the items in the plan. So our reclaimed system is the purple pipe system that's throughout the entire city. That's a little bit different from our decentralized reclaimed options. Decentralized reclaimed is in line 117 through 121.

[11:07:22 AM]

Those strategies would be wastewater treatment plants that would be of a smaller scale and would serve a neighborhood or a district. Those include distributed wastewater reuse package plants or what's called sewer mining. We talked a little bit about that at the last briefing. That would be pulling from our centralized wastewater network. And overtime as we move through the plan implementation process we'll be refining our approach to those options, identifying potential opportunities for us to locate those

types of systems, and then we'll be actually designing projects and constructing those projects. That's a continuous process and will become a utility initiative similar to our centralized reclaimed system. Below that we have some lines that are in blue. The lines that are in purple were related to our reuse strategies. The lines that are in blue are related to what we consider our more traditional water supply strategies. Aquifer storage and recovery, as included in lines 122 through 128. And that strategy is something that we like to have online and able to get water from by 2040. In order to do that we have to work pretty quickly since this is a large scale project that will require a lot of pieces to be put into place. So our plan as outlined in this document is to immediately after the approval of the plan begin further study and modeling as well as begin planning for permitting and land acquisition for a facility, but that will start with a pilot facility. So in lines 124 we indicate that we would work on design, construction and testing of a pilot asr project, a pilot aquifer storage and recovery project.

[11:09:32 AM]

That would likely be somewhere east of Austin like we discussed. We would need to make sure that that could be a successful project, that we could then build out to become a full scale asr aquifer storage and recovery facility that would enable us to have an emergency supply or a drought supply of approximately 60,000-acre feet per year. So over time that pilot design construction and testing goes from fiscal year 2020 to fiscal year 2025. That's five years to ensure that we can be successful. And then moving forward we would design our full scale asr facility that we have three years budgeted taking us through fiscal year 2029. Construction of that facility would go through 2035. And then we would begin to actually fill that facility. So that's taking treated drinking water, conveying that water from a transmission pipeline somewhere east of Austin and taking it underground. That takes a little bit of time. We have to first have the water available to us to be able to treat it and store it, and then it will be available for withdrawal should we need it. So we've left -- we're trying to make sure that that project is constructed by 2035 so that we have enough time to store that water and have it available to us. We have another strategy below that in lines 129 through 133 in direct potable reuse. That's an emergency strategy that we would use when combined storage reaches levels that are it has actually never reached before, would be done at 400,000-acre feet just as remodeled.

[11:11:35 AM]

Just as a reminder, combined storage is the lowest it has ever been was 636-acre feet. But we would begin planning for this strategy immediately after the plan was approved. There would be a significant effort required for determining the approach that we would take for this strategy as well as permitting and then there would be a public outreach process associated with the strategy as well. Design and construction would take place in the 2030s with the hope that this strategy would be ready to use by 2040. That said this is an emergency strategy so if it should be necessary for us to use this approach in a more near term fashion, part of our planning is to be able to have an approach where we might be able to take advantage of indirect potable reuse in that kind of situation. There's a line -- two lines at the

bottom related to our off-channel reservoir and brackish groundwater desalinization and you will notice that those are outlined in a lighter blue. That's because these strategies are actually targeted to come online by 2070 so that's outside of this 20-year time frame on this implementation timeline. And by 2070 we would determine whether these are approaches that would still be good approaches for the city. So I think we'll move back to the first page of this document, page 1 of 6. We'll start going through some of our more traditional conservation and reuse strategies. So there are several utility initiatives that are ongoing that are outlined on this first page, lines 8 through 11 include advanced metering infrastructure, which is a project that the utility is currently working on.

[11:13:48 AM]

We have a consultant contracted, and we'll be planning to replace all of the meters within the city within the course of the next five to seven years. Then we have water loss control on the utility side that is also an ongoing utility initiative. The utility works to control and reduce the amount of water lost from our distribution system. We have a program for that. There will be some additional elements that we would be working on to enhance that.

[Phone ringing].

>> We have certain ordinances that are already in code. The commercial, institutional and industrial ordinances, those rate to efficiency, equipment standards for cooling towers and steam boilers, and we'll be monitoring the implementation of those strategies, of those ordinances over time. We also have a current requirement in code that new developments reuse their ac condensate and that is another strategy that we will be monitoring.

>> In lines 12 through 20 we have a new ordinance that we have recommended within water forward. That includes expansion of our current centralized reclaimed water connection requirements. So this is just a good example of how an ordinance process is projected to proceed in our planning. We have in line 13 initial evaluation of potential implementation approaches. So what that means is that we would begin work or continue our work to refine the scope of the ordinance beyond just what the larger concept is. We'd start to drill in on what the more detailed scope of the ordinance is, the applicability of that ordinance, where it would be located in code, what parts of code would be affected.

[11:15:55 AM]

There may be certain things that would be located in the plumbing code, in our conservation code and various criteria manuals, so we'll have to work through all of that, as well as enforcement considerations and how this would work in terms of our development review process. We want to make sure that if we're putting something into code that it's going to be actionable and we'll actually be seeing water savings or yield from that. So that is happening in tandem with preliminary stakeholder outreach. So the first year, and this is fiscal year, we're actually a little bit into that, that would include that evaluation of

approaches and then combining that with preliminary stakeholder outreach. Those things inform one another. So there will be an internal staff effort and additional outreach. Then we'll begin to draft ordinance language, so taking this again from the concept to specifics. We'll start working on drafting that ordinance language, and in line 15 you see that takes us through the half of fiscal year 2020. And overlapping with that a little towards the end we begin to roll out that draft ordinance language through additional stakeholder outreach and making changes to that draft ordinance language as changes are required. Next on line 17 through fiscal year 2021, we start taking that through the appropriate boards and commissions and then go through the council approval process. And on line 18 by fiscal year 2020 by the second quarter we anticipate that we would be -- have that -- an effective date for that ordinance, that would begin our implementation and monitoring process.

[11:17:57 AM]

And then over time we would evaluate how that ordinance implementation is progressing. Are there any unintended consequences? Are there any adjustments that need to be made, and we would include that to our updates to the planning process. So that's just an example of one of the ordinances. And that type of process is repeated for the ordinances including in this document so we're not going to go through every single one like that, just to spare you. But on the next page, on page 2 of 6, we have our dual plumbing ordinance so we would go through a similar process, and that also begins as soon as the plan is approved. So as soon as the plan is approved we begin work on an ordinance to expand our reclaim water connection requirements trying to get more customers to connect to our centralized system and then also working on developing entirely new ordinances to require larger commercial and multi-family development to install dual plumbing, and then on the third page we would also begin at the same time work on an alternative water ordinance. So those larger commercial multi-family properties would also need to utilize alternative waters on their site. And we talked about this last time, alternative water includes things like your centralized reclaimed and decentralized reclaimed, on-site sources like rainwater harvesting, storm water harvesting, gray water, or ac condensate. So we'll have to figure out how all of those waters come together. That's part of what is so important about taking the time to do these ordinances in a deliberate way. You have a lot of water on the site potentially, and a developer or really the design and the engineering theme is working on this building has to understand how do all of these things come together in my building.

[11:19:59 AM]

And that's part of why we need to do modeling and analyses and research and really provide some good structure in those ordinances and then also some good guidance. So that's part of what we'll be working through those processes. There are two phases that you will notice on page two and three. There's a phase 1 for the dual plumbing ordinance and then a phase 2 and phase 1 for the water ordinance. The first phase is targeting the largest commercial and multi-family buildings and we'll have to again decide what is the specific applicability during these ordinance development processes, which will include the

stakeholder engagement and boards and commissions and council action. The phase 2 process is to expand the scope of those ordinances so that they are inclusive of a larger number of buildings. Part of why we're doing that, as we discussed last time, was to make sure that we are doing these in a deliberate way and that we don't have unintended consequences. So we think that that is a good progression and actually you'll notice that on these sheets there's a gray sequence for that phase 2. That's where we originally had the phase 2. And we've actually moved that up in response to input that we received from the community as we worked through our process. What was that? On lines 30 through 35. So moving forward on page four, these green options are some of your more traditional conservation options. We have on lines 57 through 66 phase 1 of our development focused water use benchmarking and budgeting process.

[11:22:05 AM]

This has a little bit of a contracted timeline. We want to get this done really quickly. Even though there will likely be some ordinance code changes that will be required. What this is is a development of a process where new buildings, new development that comes in through the review process will be required to submit more water use information so that we can paint a picture of how much water is potentially going to be used on the site, how much water is going to be produced on the site and whether there are any opportunities for a greater conservation or efficiency or whether there are potentially opportunities for on-site reuse or the use of other alternative water. So that's something that we want to get into code and get into the development review process pretty quickly. That information really helps us in our planning and also in our outreach making sure that new development is as efficient as possible. Phase 2 is included in line 67 through 77. So beginning in fiscal year 2024 we begin the public stakeholder process in advance of developing benchmarks. So what benchmarks would be would be an assessment of how much water a typical type of building would use. So a commercial building, for example, of a certain size with office space, how much water would that use as compared to other efficient office buildings. Multi-family buildings, how much water should that typically use. The reason that we need a little bit of lead time is because we need to gather the information to actually develop those benchmarks. We are going to be really helped by the fact that we'll have Ami in place.

[11:24:09 AM]

So over the next five to seven years we're installing advanced metering infrastructure, those smart meters help us to get a Morgan gnaw larger cities picture of how water is -- more granular picture of how water is used across the city. And that will really help us in establishing these benchmarks, not just at the total level, but also in terms of end uses, how much is used indoor, outdoor and then for specific end uses on -- how much water is used for potable, non-potable showers, sinks, clothes washing, et cetera. So over time from line 69 you see there's a process where we take a few years to gather all that data together and develop our water use database and that helps us to develop those benchmarks. And then we'll work on evaluating the implementation approach to establish a water use budgeting

ordinance. Really this is more than just an ordinance. This is an effort that would be pretty substantial for the utility because it is a move towards setting water budgets. What that means is we talked a little bit about this last time, what that means is being able to say this type of development should use this amount of water. If they use above this amount of water, then there may be some sort of penalty. Whether that is a surcharge, they pay a higher amount for water that they use above that benchmark or whether there is some other mechanism we would have to work through that. So there's a process, a little longer process that would be associated with figuring out how that works into the utilities overall.

[11:26:10 AM]

Approach and finances and how we enact that in code as well. So that strategy is anticipated to be implemented by the early 2030s. Moving down the street --

>> Kitchen: Mr. Mayor, if we have questions should we ask them as we go along?

>> Mayor Adler: Why don't you hold off. I think she's almost done. And then we'll take a moment.

>> Moving down the street, the landscape transformation ordinance from line 78 through 86, we take that on in the early 2020, fy 2022, but that's implemented by fy 2025. And on the next page we have a series of incentive processes which are following a similar type of path as the ordinance is, however there is a little bit of a different process. We have public outreach. We're doing a cost benefit analysis. We are refining programs and going through our process to get boards and commissions input, then implementing. All of these begin as soon as the plan is approved and then we're targeting implementation by 2022. So that is an encapsulation of all of the strategies and sequencing and timing of those strategies. Almost every single strategy has us beginning work on some aspect of the strategy immediately after the plan is approved. Which will be a substantial effort on the part of the utility. Yes, ma'am.

>> Mayor Adler: Now we're at questions, Delia, Jimmy and then Ann.

>> Garza: I understand there's still significant public input as part of this process, but when you say development, are you -- one of the questions I asked last time and maybe you answered it.

[11:28:15 AM]

When you say development are we talking about 70 unit, are we talking about a four-plex, are we talking about a single-family? What are we talking about?

>> You mean for an example for the alternative water and dual plumbing ordinances?

>> Garza: Yes.

>> We are targeting larger new buildings, so that wouldn't mean necessarily the four-unit complexes. In San Francisco, for example, I just reference them because they're one of the only cities in the United States that actually has an ordinance like this. But they have an ordinance that targets buildings that are greater than 250,000 square feet. And for reference I think -- that's about the size of Waller Creek Center, so my building is Waller Creek Center. And it's about that size. So that's a fairly large building size.

>> Garza: Last time I had asked about if there were examples that you could provide because we had -- you guys kept using the Central Library as an example after building that's able to be LEED certified and have all these improvements. Are there any examples other than that?

>> So we've got -- I was just pulling some information very quickly. For multi-family, for example, because I think your interest is mainly in multi-family.

>> Garza: Yes.

>> So some multi-family examples, I have some examples from San Francisco and then then New York City because that's where a lot of these have been developed. They are larger buildings. These are multi-family buildings that range in unit size from 230 to 580 units per building. In Millennium Towers is in San Francisco. For example, the Solar and Try Becca are all in New York City and all have water reuse systems so that means they're collecting all of the wastewater that's produced in the building.

[11:30:19 AM]

And then pulling that back into the building for use for non-potable for toilet flushing or they might be using some of that for a little bit of outdoor irrigation. Including cooling tower demand as well because it does take a substantial amount of water to cool these buildings.

>> Can I weigh in here as well? Following the last briefing and based upon the question that you asked, Councilmember Garza, I reached out to foundation communities which develops affordable housing here in Austin. They have about four buildings that are currently occupied that are collecting rainwater. So the examples that Mari gave are for very sophisticated, somewhat more costly on-site wastewater treatment for the most part. So that probably is really only appropriate, especially starting out at the higher density kinds of buildings that she referenced in New York City and San Francisco, but here foundation communities has already been capturing rainwater for a couple of reasons. One to be able to use for their outdoor irrigation. I think some of them also bring that water indoors for things like toilet flushing. And in their experience they also found it to be beneficial to offset the sizing of storm water facilities they would have to build on-site to deal with flooding and water quality issues. So we do have examples that are lower density and specifically aimed at affordable housing here in the city of Austin as well.

>> Right. But we would need to work through the process to really see if -- to see -- to mitigate the potential affordability impacts for affordable housing. We would have to work through the process to see does this ordinance, are there any special exemptions, are there any special programs that relate to affordable housing and the alternative water and dual plumbing requirements. So I don't think that

there would be kind after one for one specifically for affordable housing. There would likely be some cost offset in those cases.

[11:32:21 AM]

>> Garza: Okay. And just lastly, in the arena of housing, I would just be concerned of our code or the development, and it's not always new development. We just had the conversation about displacement and families staying in place. I know when people remodel, wanting to stay in place using equity in their home to remodel, significantly you also replace all the plumbing. And I would be concerned about adding any additional cost to that process for families who -- you only have so much equity and in addition to depending on your income you can only borrow so much of that equity. So you have a fixed amount of money and our code, for example, requires if you add a certain amount, more than half of the square footage of your home, you have to pay to build a sidewalk in front of your home. As we work through this I want to make sure that we're intentionally knowing all these little triggers that we could unintentionally add additional cost to a homeowner just trying to stay in space and add square footage because they have a growing family. I hope as we mentioned before, that we tier these requirements to the development.

>> That's a great point. And yes, we will be taking those types of things into consideration. We are targeting new development, that's the initial concept, for these ordinances. And these ordinances that I mentioned would also be targeting those larger commercial multi-family properties so we aren't envisioning that we would require the systems, for example, single-family homes.

>> Mayor Adler: Jimmy?

>> Flannigan: So there's a lot of great stuff in this plan and I'm less concerned with the long-term details because this will continue to come back to us as we do ordinances and policy and procurement and expenses.

[11:34:25 AM]

But the one thing that I want to make sure that we're tracking as we condemn plate these ordinances is that especially when it comes to the purple pipe and the reclaimed water that we're matching the amount of purple pipe with the capacity to deliver the reclaimed water. I have neighborhoods in my district that have those pipes in the ground and are dry. So they sometimes have been told it's too expensive to run the line out to you, but they were still required to put it in. Or that the capacity of the purple pipe system wouldn't fill the pipe. If we're going to require all these things, let's also make sure that we can fill them with water.

>> That's also a great point. Part of what we're doing as we refine our geo spatial analysis of where these types of systems will go, it's like we have a centralized reclaimed system. We already have mains in the ground. We also have added to our toolbox these decentralized systems. In place where's it might

not make sense from a cost effectiveness perspective to extend a reclaimed water system maybe there's an opportunity to do a decentralized wastewater project or some other type of decentralized project to be able to provide non-potable, to be able to capture that kind of situation.

>> Vice-chair walker and I spent a lot of time with our task force members trying to identify metrics that we could embed within the plan that would help us assess whether or not we were tracking against these longer term targets for that reason. Either that we're not capturing opportunity as new development is going online right now or that it just becomes complex if you're trying to support it and it's not going to be implemented until 2040. So the plan includes targets by 2025 I believe for both centralized reclaimed system as well as these decentralized on-site options that Mari just mentioned. I think for any implementation task force that is continued that would be imperative for them in that five-year cycle of plan update be working with the utility to track how we're moving against those benchmarks.

[11:36:35 AM]

>> Flannigan: And I love the decentralized things sounds great and there is good opportunity to consider that in the upstream areas in my area, the flooding impact of that because we're capturing and using that water in areas that have a higher per capita water usage in big lawns and the kind of things throughout my district. So I'm really interested in the decentralized stuff because it might solve a number of things all at the same time.

>> Mayor Adler: Ann. I'm sorry, go ahead.

>> I appreciate you bringing that up, councilmember, because I think one of the things about this plan is it gives us more options and more flexibility to address water needs geographically and based on different water use habits throughout the city and just being more adaptable and flexible is really important to making this plan work. So you did a really good job of describing some situations where that may be the case. And not just relying on the centralized reclaim system, but also having other options helps from lots of different passengers from costs, from deployment, from folks do I make this investment in building my building this way if there's not going to be a line of capacity for awhile? There's a lot of -- this really opens up a lot of doors for us.

>> Mayor Adler: Ann.

>> Kitchen: I have a couple of timing questions. Two in specific and just one overall one. So the first one, I think I'm reading this right, that -- these are on page 4 and 5. I think I'm reading this right, but am I reading it right that the incentives that we're talking about were targeting 2022, I think about four years from now, and those were page 5, the alternative water incentive, the landscape initiative, irrigation efficiency. So we're looking at implementation in 2022.

[11:38:35 AM]

Am I reading that right?

>> Yes.

>> So my question is -- I'll focus in on one of these. It may be the same answer for all of them. The landscape transformation incentive, this is an expansion of an existing rebate program. So I'm curious why -- just help me understand why it would take four years before we'd be ready to expand what's an existing program?

>> Just looking at it it's more like two and a half. Maybe just a little bit above that. We are anticipating that it may take less time to do these processes, but we wanted to give -- set some expectations and give ourselves a little bit of flexibility and again make sure that we're taking these in a deliberate manner. Part of this will be aligning these incentives with other incentives. So for example, the alternative water incentive. There's alignment that may need to happen with other programs. And then this will also need to be -- it kind of all comes together that we have ordinances that are going to be put into place and we'll want our incentives to be working in tandem with those ordinances so that they're kind of maximizing and leveraging the benefit. We're maximizing and leveraging the benefits of both. That was another part of our calculation that in setting our incentives we would be able to take the information that we're developing as part of that ordinance development process and we'd be able to fold that in to how we do our cost benefit analyses and what kind of approach we take with our incentives. But like I mentioned, there's nothing say that we develop, if it takes us less time to develop the incentive program we're not going to wait until 2022.

[11:40:38 AM]

We could rule that out soon.

>> Kitchen: Okay. So that -- would that mean that if it takes less time, for example, to expand the rebate program for the landscape transformation, you wouldn't be tying that to the ordinance. I can see why the ordinance might take longer?

>> No, we wouldn't be tying it to the ordinance. Some of the information could be useful for both processes.

>> Kitchen: Okay. Then my second question has to do with the phase 1 and phase 2 of the benchmarking. So two different questions that I have there. That's on page 4. I'm not sure I'm understanding the difference between phase 1 and phase 2. Or to put it more specifically, I'm not sure I'm understanding what's happening in phase 1. So that's one question. And then my overarching question is what's really driving the benchmarking? If I'm reading that correctly I'm taking about 10 to 13 years before it would be in place and so I'm wondering what's driving that -- that seems like a long time, but what's driving that?

>> Sure. I'll take a stab at trying to explain again the phase 1 so that that's clearer. First we would begin by developing requirements so that when new development comes in through our development review process they are required to submit information about how much water is used on the site or how much

water will potentially be used on the site. That will include information like fixture counts, irrigatable area, is there an irrigation system on the site. How many employees will be working in a building, multi-family units. Did you have a question?

>> Kitchen: So that's the data gathering phase.

>> Yes.

[11:42:39 AM]

>> Kitchen: But I thought that's happening in phase 2 also? Is it just two levels of data gathering?

>> It's two different levels. So the first one is setting the requirement that they have to provide us this information.

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>> Kitchen: So you can start to gather the information for benchmarking.

>> Yes.

>> Kitchen: So it's the requirement to get the data. And then you move into phase 2, which is the benchmarking, essentially.

>> There will likely be some development of benchmarks as part of the first phase 2. And that will help us when we're communicating with these developers so that we can potentially offer incentives that they might want to take advantage of or we can have suggestions on how to use alternative waters on their site. For example, if it makes sense for them to do a rainwater harvesting system they could reduce the amount of money that they're using for potable outdoor irrigation, plus it works nicely with their water quality requirements and then maybe that is a beneficial opportunity for them and that is an opportunity that we could identify if we had that information from the get-go. So that's part of that first phase. The second phase is really more related to how do we take those benchmarks, how do we refine them even further and then how do we use that information to so we can use that in setting water budgets and those water budgets will relate to a water based rate.

>> Kitchen: Okay. That helps me understand the process. I'm still curious why we're talking about 13 years or so. What's driving that it takes so long? Can you help me with that?

>> I can start on some of that, particularly the water-based budgets. That is a -- kind of goes to some of the mayor's comments about business model adaptation. This would be the utility ultimately converting an entire billing philosophy to more of a water based budget billing philosophy.

[11:44:45 AM]

Where you would have essentially customized rates for all customers or certainly new customers, instead of generalized rates you would say for this particular development the way it's configured, the mixture of water resources we're going to set a defined budget for that and we're going to have a building system wrapped around that that if you stay within your budget a certain amount of rates impact you. If you go outside your budget you would get a stronger pricing signal. That's going to require a lot of things to come together. Meter technology or Ami systems would be a big part of that as well as a substantial updating and redoing of the billing system to go to a water-based budget approach. We would probably tackle that in phases and start off with bigger applications, but ultimately want to get that focused down to hopefully all customers one day in the future. I think that's why you see a longer time frame for that to happen. That is substantial transformation that we would go through. Part of the reasons why we want to do that. Our site visits to San Francisco, one of the things that starts to happen without linking some of the water budgeting tools in is you might have new development occur and it happens with these nice mixtures of different water sources and fit for use including the correct water for the correct source. And then the owner or the developer leaves, the owner takes over and they found out that boy, these systems are really hard to operate. I'll just turn them all off. And without linking ultimately some financial incentives through the building systems into that, that's one of the ways you manage that risk. Is if you turn them all off and you start blowing your water budget you will see a kind of financial impact to that. So all that said, there's a lot to sort out there and I think that's why you see this spreading of the time frame to get everything in alignment for that.

[11:46:49 AM]

>> Kitchen: Okay. Do our task force members want to make any comment on this?

>> So water budgets have been really popular in California for a long time. We've seen communities in Colorado moving in that direction because it helps water utilities plan, it helps them to understand how much water they should be expecting to receive in specific types of properties. So I don't think it takes 13 years necessarily to bring bring -- it is a transformative process, absolutely, no question. It is not something that happens overnight. It's data intense active. Many communities that have contemplated moving towards budget based rates have chosen not to do so because of the cost in having to acquire the data, develop specific budgets and be able to actually build that into their building systems. So it's not an overnight thing. I think there are many communities who have done it without Ami in place because you're taking a monthly water bill anyway, a monthly water reading from the meter. You know what the property is in terms of size, irrigatable landscape, number of faucets, all the things they would need to construct a water budget. I think it could move faster than that. It's going to be a question for the water utility and council and city manager of what's the trade-off between all the different types of tools that are envisioned within the plan. And those are real trade-offs in terms of personnel and trying to be able to move forward in a thoughtful way.

>> I've brought this up several times during the task force process, but there's an analogous process with some folks that we know in our community, with the Barton springs groundwater conservation district as they give out permits for groundwater pumping. They do a water budget with everybody that applies, and to ensure that the amount of water that's being asked for to serve a subdivision or a bed

and breakfast or restaurant or whatever it is actually fits with the amount of water that's expected to be used by that type of establishment or that kind of community.

[11:49:02 AM]

And they stick pretty close to it and they do their permitting based on what you actually need to operate that. And they have extenuating circumstances. They have a very limited water supply there and no other alternatives except for like rainwater and these other types of things we've been talking about. So we do have an analogous, although not the same, but analogous entity that's doing something like that close by. And we have a person from the Barton springs groundwater conservancy that serves on the groundwater commission that serves in that process. I think that's a great process and very instructive. It's very labor intensive for the staff to do that and work with the utility. There's the -- the applicant. There's often back and forth on that. But it's not something that hasn't been done before. I think it's really instructive. And I know that task force member Lauren Ross, you know, has talked about how when-- when developments come in is there a discussion about how much water it takes or how much water do the people designing it know how many bathrooms there are and how much people will use? Is that a discussion that happens on the front end? I think that a lot of this on the very basic level brings an awareness about how much water different developments are using and how much they should be using. I don't think that anybody designs a development saying, like, hey, this thing is going to waste a ton of water. They don't plan it that way, but maybe they just don't know and they're not asking the right questions. So I think that this process about benchmarking is highly instructive. I don't know -- for all kinds of things within the city and will help us. I don't know the proper timeline. My sense is I would like to see it happen a little faster. I hate to leave the water savings on the table that I perceive might be left on the table from that. But I do understand that there's definitely considerations beyond my understanding with the budget and everything and how they operate and revenue.

[11:51:10 AM]

So it's a complicated question and I appreciate you asking about it.

>> Kitchen: Thank you. I'll leave my last question until later, but it remains -- the timing on this one in particular remains a concern for me.

>> Alter: So I have one question on this chart and then I wasn't sure if there was more presentation or not. For the dual plumbing ordinance, you had the two phases depending on the size of the development, but for the budgeting and benchmarks you had the kind of let's develop an incentive phase and then you had the ordinance phase. I'm wondering if you considered an incentive phase for earlier action on the dual plumbing at all. And I'd like to hear a little bit about that and part of the reason that I'm asking is we recently had a pud with the camel back and they wanted to do certain things with respect to water conservation, but there weren't really ready tools we could point to that would be helpful in guidance through their process. And you could do it in the pud process that you

could have an incentive. You could -- there are different ways that you could do the incentives and that when we're doing this development we know we have a lot of development that's going online. We're hearing from more and more developers that they want to market their spaces as green, and this is part of that. And they come with varying degrees of experience, since some of this is innovative technology. And I'm trying to understand if there's a role for incentives earlier with the dual plumbing and whether there's a role of education and guidance that maybe is not taken into account here.

>> Okay. Yeah, that's a great point. Just to note that the alternative water ordinance and the dual plumbing ordinance are -- they have a first phase and that's targeting the larger building, but then we also have that incentive, the alternative water incentive that is also starting as soon as the plan is approved, we'll start work on that and then we'll hopefully have that policeman implemented.

[11:53:23 AM]

And we talked about that being 2022, but it could happen faster than that. So that will be before that phase 2 ordinance for both the dual plumbing and alternative water. And in my mind they're conjoined. There are a lot of similarities there so they have been in tandem with one another. But that alternative incentive could help to catch those properties that -- where the ordinances are not applicable to them and that would be happening sooner. So there is some opportunity for those incentives to help and encourage developments or help to maybe get projects over the line that otherwise wouldn't get over the line. Just to note that that -- that we are participating in the pud review process as well and trying to identify opportunities for alternative water as part of that review process, Austin water staff is being linked into that process. So we are working through that as well.

>> I would add too that we have existing teams underway now. We have existing teams underway now working on these things ahead of time and to provide better guidance and incentives, per se, for folks that are ready to launch now. We have an innovative water strategy team. We have a website that we put up that develops can go to today that guides them on how to do innovative water strategies, decentralized, other kind of captures, how to navigate regulatory requirements, including not only ours, but tceq, we have some specialty resources and we'll continue to build on that. So we're not going to wait for three or four years before we take any kind of steps to do that. So I think those systems are starting to come together now.

>> I'm still trying to understand how those pieces fit together and how that information is delivered and whether there's an emphasis on encouraging it sooner rather than later because, you know, we're missing some opportunities in some very large buildings and I know we can't jump into requiring it, but if we could make it easier for them to do it since they save water, they save on their water quality requirements, but it's hard to understand how much is just simply financial and how much is knowledge.

[11:55:44 AM]

And we can play a role in that knowledge.

>> Absolutely. Some of it is that knowledge gap. I think the design and engineering community will -- there will be an effort that we have to do in helping that educate that community about these types of systems and the benefits they bring. And we have those on-site reuse guides, for example, that are published on our website and that we have available for developers or anybody who is interested in doing these types of systems, and it kind of guides you step by step. If you wanted to do on-site, rainwater harvesting or gray water harvesting, what would be the process? We can actually provide that if you would be interested in -- we have it for single-family and for multi-family and commercial development.

>> I just want to flag this because I think this is a very important question and I first off want to commend Austin water staff for doing the work they have been doing both to have that internal kind of cross-functional team coming together to look at implementation. People like Mari have also been engaging outside of the department to look at ways of smoothing the path to permitting for new developments. I think that's really important, but I don't want to neglect to emphasize that the plan as currently drafted and that way of describing phase 1 and phase 2 for these ordinances and incentives doesn't explicitly reference puds as being one of the kind of triggering or defining criteria for scale. And we have heard that from a number of people in the community as we've gotten to the hopeful adoption of this plan that perhaps puds should be explicitly contemplated to reinforce those sorts of processes that are currently underway and that seems to me a fairly simple fix that kind of reinforces efforts that are already happening. But I do -- I also think it is really important for council and the city manager to continue to ask the water utility and to create processes by which dsd and other agencies within the city can be engaged to create a more fluid path to permitting that really engages development even before they get far into the design process. And that has been a challenge for a number of projects that we have heard about where developers were interested in doing alternative water, it wasn't caught early enough in the permitting process or they just had hiccups.

[11:57:57 AM]

So I think there is a need to do more than have the great resource guides that have been created by Austin water, those are buried, people don't know they exist, they don't know how to implement them. So we've talked a little about is there a way to have a cross-functional multidepartment team so when we know a new development is coming before us, before a service request is even filed for or submitted that very early on they sit down with the developer and they talk about different ways that energy, water, storm water, could be managed on-site that are creative and help those developers understand how the departments can assist in the path to permitting, which is complex.

>> Alter: So city manager, would that be something -- part of what I'm struggling with with water forward is I'm really trying to respect the plan and wall of the work that has went into it but it has generated ideas for other things and trying to figure out if we wanted to provide direction to create such a process, is that something that I need to do as a separate resolution? Or is it because it involves

multiple departments and not just water or is it direction as part of the implementation of water forward?

>> Mayor, councilmembers, certainly a direction right now. I think that as we are hearing the details of this plan and the feedback from council, this is critical that we are talking among the departments within the city enterprise and that we are working collaboratively together we know that those impacts will be felt by other departments. So I don't think I need a resolution, but certainly hearing this direction from you, knowing that part of the process in which down the line or the city manager's office to look more carefully at the efficiencies that we can be having and know the additional impacts that some of these resolutions or ordinances may be having on the permitting process, for example, will be felt. So we'll be coming back to you and looking at how those things might be interconnected and how we're trying to find ways to ensure that they are expedited and made more efficient so we can ensure that there's not an undue burden on different customers.

[12:00:16 PM]

>> Alter: Sorry, I may want to follow up a conversation about that to think that through a little bit more, but it is -- you know, we have a lot of expertise and knowledge, and sometimes we look at our departments as the obstacles in the development process, but actually, they have a lot of knowledge and expertise about how lots of different buildings have solved problems that, if there's a way to leverage that, that can help smooth the permitting process and solve some of the environmental challenges that we're looking to address. It would be an interesting way to think about a win-win and a more effective use of our resources or easier way to get to the end goal by making it easier rather than just clearing it on the other end. I have some other questions that aren't on this implementation table.

>> Mayor Adler: I'm not only permitting but also the interaction with land development code rewrite as well. Mayor pro tem and then Kathie and then Leslie.

>> Tovo: Thanks very much for this additional discussion today. I had a couple quick questions. Let me first just start by echoing some of the points that were raised earlier by colleagues. I think one of the items on here, one of the objectives where I'm a little concerned about the length of the time frame is regarding landscape transformation. That seems to me really as an area we should see as quick as possible so I will likely provide some change on that prudent. I want to talk a little bit about -- well, we can talk more about that when it becomes relevant but can you talk a little bit about how you're coordinating with watershed and the extent to which water forward integrates with some of water protection's work.

[12:02:20 PM]

Here, especially I guess I'm thinking of the waller 3 pilot and way in which that's really demonstrating some good benefits. And I'd like to make sure that, you know, we're really capturing that synergy.

>> Sure. We've been working with watershed protection throughout the development of this plan. We had watershed protection included as an ex officio member on the task force, and also as water protection was going through they're green water code process, we were participating in that process as well to make sure there were linkages between our recommendations and the code recommendations that they might eventually come out with. So we're keeping those things in mind because they may eventually, you know, need to be linked up. We are envisioning that our alternative water ordinances -- and like I mentioned kind of figuring how those different waters work together on a site, will have to be developed in close collaboration with watershed protection, especially as relates to water quality requirements, how much stormwater you are required to capture on your site and treat. There is a conservation opportunity there. You could be capturing, treating, and then reusing that water for irrigation, restoring it, or pushing it to a higher quality so it's used for sure non-potable purposes. So there's rain water, harvesting, and storm her he lising, as envisioned within the water forward plan, as well as goals of water quality protection, restoring base flow, making sure that we are reducing amount of erosion in streams and creeks, keeping our landscapes alive and healthy, then there's benefit, the size of storms we would be envisioning, benefiting in terms of localized protection would be smaller than your much larger flood events.

[12:04:36 PM]

>> Tovo: If I could just then -- it's clear there's lots of coordination and collaboration going. I think the heart of my question really relates to the time frame on things like rain water harvesting. Again, given work the watershed protection is doing and the pilot program and some of the other efforts, can you talk a little bit more specifically about the time frame? The time frame seems somewhat extensive for the rain water harvesting.

>> Oh, for the alternative water -- okay. For the alternative water incentives, we are hoping that if this plan is approved by the end of the year, we could work on those son of a bitch programs

-- we could work on those incentive programs, and by the end of 2019, we can work with what watershed protection is doing in the waller 3 program, kind of the distributed rain water harvesting to be able to see, you know, flooding and water quality protection benefits, and we could actually try to develop that alternative water incentive so that it helps to maximize the -- whatever incentive programs watershed protection is developing, especially as relates to waller three. If they're providing a incentive of rain water harvesting of a certain amount, we're watering a certain amount. You can compare those incentives. I'm sorry a greater incentive for somebody to do a rain water harvesting at their home. So that's going to play into how we develop that program. That plays into kind of our geospatial analysis of where these types -- what different types of systems might be best in certain areas. You know, there's a number of different ways that we could kind of mold these programs so that we're maximizing the benefits from both of our departments' missions. So there's a lot of opportunity there. I think the timing actually works out pretty well.

>> Tovo: Okay. Thanks.

>> If you don't mind, I'd just like to say a little something about waller 3.

[12:06:40 PM]

I appreciate you asking about it, mayor pro tem. I think that that project is really interesting. Myself and chair lorig and Austin water have been engaging with watershed protection and a bunch of different city departments in kind of different capacities, maybe not necessarily as water forward. I think it's -- I think it's a really interesting project, and it's a really -- it could be a great way to demonstrate the co-benefits that we're looking for. You know, one of the things about this plan is that it's not just Austin water is providing a water supply, to end users. There's actually co-benefits that benefit the other services the city is trying to deliver. In water 3, we've got flooding problems in waller creek, we've got erosion problems. It's not a very environmentally viable system. It doesn't have base flow a lot of the time. So those are definitely ringing the bells for watershed protection and what they're trying to do, capturing rain water in this neighborhood on a community scale can help with reduced potable water use for landscapes. So it's an ambitious project, but it can really nicely demonstrate the co-benefits. And I think there's a lot of folks who are interested, not just Austin water and watershed protection, the people and neighborhood, we're looking at, too, just how do you demonstrate and quantify the co-benefits. I think it's really important. We're going to have lots of different kinds of projects, and some of them are going to be real easy to say, here's the gallons of water, and what you save by reducing your homeowner fee, and some of them are going to be a little more gray, like the waller 3, but we're actually hoping to really be able to quantify some of that because I think it's a really important program. I'm talking about it like I own it. I'm just watching it with interest from the outside. I think watershed is really owning it and doing a great job with an interesting, creative project so I'm real interested in it as well.

[12:08:48 PM]

>> Just one more point on that I think it's instructive and responds to your question last session, councilmember kitchen, on how this relates to to the flood mitigation task force. Mari mentioned really large scale events we know will not be managed exclusively through these scale lot size stormwater systems. They can shave off the first few inches of any flood, of any size, so in that way, even in larger floods, they are supporting the function of larger scale flood diversion and management infrastructure. But it's important for us to understand that while there's a lot of benefits and reasons for Austin water and watershed to work together to look at how they deploy their financial resources, to scale up those on-site distributed smaller scale systems, we have to be mindful that for the average consumer/rate payer of both of those utility, getting through even a single incentive package and all the paperwork and everything required for it is a challenge now when we're layering two different utilities, effectively, and they're different incentive systems. That can be so laborious nobody wants to go through that process on the consumer size. I think waller 3 is a great example of how to kind of smooth that path also for the customers of those systems. But as we look at any of these on-site systems, whether they're on-site wastewater or they're on-site rain water, the reality is that watershed protection and Austin water, we will have challenges over the long-term in figuring out how those systems are maintained so that we

know they're going to if I know to function, how we monitor how they're functioning, so they're actually performing for rain events, and that's -- those are the challenges that accompany that smaller infrastructure model that we are intending to pursue, I think as a community, both for water supply and for flood and water quality challenges, and it's even more reason why Austin water and watershed have kind of strong incentives from city manager's office to work together in deployment of their incentives and also deployment of hire their monitoring of those systems, why that's so critically important and a big learning for us as a community.

[12:11:06 PM]

>> Mayor Adler: Okay. It's a little after noon. I think, Leslie, you're the last one.

>> Pool: Okay. Great.

>> Mayor Adler: Let me check, in terms of lunch do we anticipate -- do we need to come back after lunch to have extended period of time to discuss this, or is this something that we think we could handle before lunch?

>> Pool: Handle before lunch.

>> Mayor Adler: We have pulled items. One of them was this plan, and I pulled it only to say if people were bringing amendments, if we could daylight them before Thursday, that would be helpful for me. So that was my request on that but that's the only reason I pulled that, was to make that point. The other three I think are going to be quick things. I don't think they're going to be long. Do we have a lot -- now I'm back to the first question, do we anticipate a lot of questions on water forward? Do we need to bring staff back after lunch? I have Leslie, Alison, and Ann, is that pretty much where we are? Then those two, and let's keep going and handle these last two. Leslie.

>> Pool: The questions that were raised already specifically on the collaboration and cross-functional, we're looking at the strategic outcome of putting our flood mitigation and watershed protection in with our development services, I think. Is that right? So that these issues can be brought up early in the game, and I think that this has highlighted the necessity of doing that. So thank you for the answers that you've already given on those questions. On the monitoring, I was going to ask, and this can be at a later time, if you guys could talk a little -- in a little more detail what that will look like, with decentralized water treatment and water collection systems out there, keeping them functioning at 100% or close to. I recognize, as you had mentioned, could be a challenge. That was my main question just going forward, how do you recommend we go about that?

[12:13:08 PM]

And then I just wanted to -- I wanted to give a hat tip to our mayor pro tem. She was the one who passed -- because we have such star power in our water forward and our one water conversations, and

we know from the record drought that we had ten years ago-ish, and then leading up into the assault from the heavens with our floods that we had, e, four or five of them in a short amount of time after that, and then looking at the imperatives of climate change that are unmistakable and confronting us daily over here, it used to be over here but now it's right here, I wanted to thank the folks who -- our experts who have come together to give us this plan, which is really impressive, even just the chart that you have here for the flows and the process that you have crafted for us. The long-term elements of it, which are definitely necessary, and giving us milestones and way stations along the way to make sure that we're still on the right track. And then I just wanted to give a hat tip to Kathie, who isn't here, so she was very forward-thinking with regard to the need to have a plan for water. Long before I even thought about running for council, and with a working at the national wildlife federation, and looking at the concerns that we were faced with, she was leading on the waterfront. I think her first resolution was under the previous council, which would have been four, five, maybe six years ago, and then the second resolution was right after we arrived, which was in 2015, she created that second task force, and then some of the members who are on the second task force were on the first one. So I wanted to thank you all for your diligence and your tenacity and sticking with it and helping us by crafting a fairly -- this is a really complex issue.

[12:15:20 PM]

You've identified, as best you can, all of the threads that make it so complex and have given us a pretty good map to move forward on -- on an issue that is an imperative for our community. So thank you all around, and also the mayor pro tem for her foresightedness in getting to this place because without her resolutions, we wouldn't be having these conversations today. And I'm sorry she's not going to hear that.

>> Mayor Adler: Again, the task force spent a lot of work, we talked about that at the first presentation. A lot of names have been mentioned here tonight. A lot of people in the community pushing it, like Luke Milkter and others. Alison, you want to close this out?

>> Alter: Yeah, I have a few questions. I'll try to be as brief as possible. In the draft, in the plan, there's a section that says, you know, the city of Austin has, I think, different lists of departments there as areas that we could be targeting for water savings. One thing that seemed to be missing from this is a discussion of what we're doing for our own buildings and structures that are leaking water. My colleagues have heard me talk about this with respect to pools. One of the major challenges we have in our park system is our failing aquatic system and many of them are leaking water. I know there was an initial pilot with the sustainability office at Austin water and park to save some water at. This is an ongoing effort, we are losing tons and tons of gallons of water from our pools, and this would be a fairly, you know, low-hanging fruit to try to improve that situation. And I didn't see that covered at all in the plan. So where do things like that play out here? And, you know, also with the dsd, we are building in some of this water supply, water issues into how we're building the buildings.

[12:17:20 PM]

But I don't see that strategy of thinking about our own resources and our own buildings and our own assets and their interconnection with water. Austin energy uses a lot of water. Where does that fit in here?

>> I think that the -- our internal processes, for example, we have our innovative water strategies group within Austin water, has been trying to identify opportunities, especially within --

>> [Off mic]

>> That's all right, I do it all the time. Our internal group, the innovative water strategies group has been trying to identify opportunities within the city and working with different departments, and then for example you mentioned the planning and development center, to be able to integrate some of these types of concepts. The innovative strategies conservation and efficiency improvements in our city facilities. It's a good point that you raise about kind of looking at the opportunities within our, you know, buildings and facilities that the city owns, and I think that's something that we can take into consideration, especially as we move forward with that innovative water strategies group and move forward with the implementation of the plan.

>> Alter: And again, this is a place -- is this an amendment to the plan? Is this direction? Is this a new resolution? I'd want to respect all of the great work that's in here, but to me, that's an important low-hanging fruit that's not covered here, and I appreciate that you're telling me that you're doing that, but that's often not enough to make the next step happen.

>> And, councilmember, on some level, this is a, you know, multidecade plan. And so we are looking at that 10,000-foot level. But assuming it does move forward, or if it does receive the council adoption on Thursday, there are those steps that we're going to be taking internally, integrating our own facilities planning.

[12:19:20 PM]

I mean, we've been doing some work already, given council's focus on that, on ensuring that we are both looking at deferred maintenance in different ways and integrating some of the adopted frameworks that have been pushed forward by this council. So that would be the next step from that, but I think even you highlighting it this morning is important for us to be able to take that to the next level, so...

>> Alter: And then I have another --

>> Mayor Adler: Before you get there, just to reiterate that point, because this is a water forward plan, there's very very little that touches water that couldn't be addressed in here. I think like councilmember kitchen did earlier, there's no end to the number of additions we should make. So I'm also struggling with the same issue of, where do -- go we start that, and if we start that, where do we stop that, and how do we know what should be done in this plan, and what should just be done by way of direction or separate ordinance. Because there was no way for a report like this to be all inclusive of all water issues

that are addressed. That's why I pulled it, to try to get a feel for if there were things that people thought they were going to be bringing in, other changing or introducing new areas to highlight those early enough for us to prepare or for staff to be able to be there to address. Your second point.

>> Alter: So this is another one of those where I feel like there's a gap here that I'm trying to understand how to plug. This one has to do with the local workforce and their training to provide the plumbing services that all these opportunities would create.

>> Uh-huh.

>> Alter: And it is also an opportunity to create jobs with a living wage. We know in Texas the average master plumber is 58 years old, so we need to -- excuse me -- we need to do more to bring new plumbers online, and this plan is predicated on being plumbers at the other end of this process when you put the ordinances in, and existing plumbers need to be trained in the new technology and understand how to use it and have incentives to install it when other systems might be much easier for them to do.

[12:21:43 PM]

So I wanted to kind of, first of all, daylight that, but again, it's not clear to me that integrating workforce development plans into water forward is the appropriate place to do that, but yet water forward can't succeed if you don't have plumbers who can do the work that you are going to be asking developers to do, whether via incentives or whether via requirements in ordinance. So, again, is this an amendment to the plan, direction we adopt with the plan, or separate resolution? I'm -- you know, this is something that I think is, you know, a direction that we could go in that could be really helpful and hit lots of goals, just like rain water hits the watershed goals, and the water goals, we have workforce goals and we need to have plumbers, but they don't just magically appear. So do you have -- I mean --

>> Mayor and council, my quick thought is that this is a continuation of how we're going to be implementing the plan, and so if there are additional directions and priorities as we move forward, we will take both the direction and advisement, but also if there are ways to codify that in the future as this plan actualizes and we come back to the council for some decisions, we'll bring those forward to you. But I just appreciate you highlighting these because I & don't think they made necessarily be amendments at this time, but I do think that as we move forward, these are the type of themes that we will want to be addressing, and if there are appropriate milestones when it comes back to council for approval of certain ordinances or, you know, appropriations, that that would be included in that, so...

>> Can I make a comment on what you just said, councilmember? I really appreciate you bringin that up, and I've had lots of conversations with people about that, and we have this -- there was a group of people that attended the one water summit in Minneapolis this year and there were several council, staff folks involved in water and watershed and ourselves, and that, we have a kind of informal group that continues to meet from that.

[12:23:55 PM]

And workforce development was a big -- is a big topic that we're kind of wrestling with. You know, I don't know if we're going to solve it, but we're definitely discussing it. I think there's a lot of opportunity. And just this week -- wait just -- the Texas water journal just put out a journal article about workforce development, specifically about plumbers and engineers. And I can share it with you. But about workforce development, and that the folks that are doing this work are, you know, getting ready to retire and stuff, and concern about the workforce, and then kind of the changing way that we're managing water supply. I thought that was really interesting based on the conferrings that we have been -- based on the conversations that we have been having the last couple months. Again, I appreciate you bringing it up. Austin water may be thinking through this, too, but I think it's a conversation that we need to have as a community. It's a really good opportunity to create good jobs for people. I would advise my son, like, hey, look at being a water overtime engineer. This is a great field to go into. So definitely we need to keep having that conversation. I'll share that journal article with you because it was very interesting and very timely. It's something that not only we're wrestling with but the state and nation as well.

>> Alter: Thank you. And my last question has to do with the costs of the plan. So you provide very broad costs. I know, you know, this plan goes out, I think, a hundred years. I guess what I would like some clarity on are the short-run costs in the next few years in terms of the staffing and maybe this is something that you responded to in Q and a rather than here, but, you know, what are you anticipating are the resources that you need at Austin water to do what you have in the plan right now for implementation in terms of staffing and funding and any sense you can provide in the magnitude of that impact on rates?

>> I can give you a quick perspective, just take a minute or two. So in terms of the next few years, you know, the next two or three years, we don't see significant cost impacts to the utility, something that would drive rates up substantially.

[12:26:05 PM]

To that effect, a lot of things are already baked into our current plan, things like Ami, growing our reclaimed system, implementing the first phases of the plan. I would think in the next budget year or two, we will ask for some more staff, in fact I know we will, to support the plan, but that wouldn't be the kind of thing, too big a scale, where that would drive rates up substantially or anything like that. I think as you look out a little bit more broadly over the next 10 to 15 years, that there will be rate considerations. That was a question that came up last time. The way we broke that down, a lot of things in the plan are things we would do naturally, just managing water loss, replacing waterlines, detecting leaks, advanced meter infrastructure, our reclaim program. A lot of that's kind of in our rate plan already. What is really new in a big-scale way, is about \$400 million of investment predominantly in the asr facility, as well as some of the indirect potable reuse emergency systems. We did a quick rate analysis of that from the last work session, and that would drive about a 8.5% rate increase that would

be spread out over nine years and would cost in today's dollars about \$3.55. That is the cost of the big new features of the plan that would drive rates over roughly the next 10 to 15 years. I don't know if that helps get at what you're after.

>> Alter: \$3.55 per --

>> Per month.

>> Alter: Month.

>> For a typical residential rate payer in today's dollars.

>> Alter: But that's happening how many years --

>> That's spread out -- that would take about a nine-year rampup for that to occur, beginning in the early 2020s through about 2030. That would drive S ever asr.

[12:28:08 PM]

That's the big project, that would drive that there will be sprinkling of costs along the way as we add staff and things like that, and private sector costs that we describe through new land development requirements. But from the utility perspective, that's a high level snapshot of the big pieces of this plan and rates.

>> Alter: Do you think you could just provide whatever additional detail and that detail in writing in Q and a?

>> Sure. You mean on what I just talked about?

>> Alter: Yeah.

>> Sure.

>> Alter: Thank you.

>> Mayor Adler: Ann?

>> Kitchen: I just have a suggestion. You asked what we were anticipating in doing on Thursday, amendments or direction or whatever. I don't have a preference, but I do think it needs to be in writing, just for all of us to be clear. So if there's policy direction or -- that some of us have raised on different issues, I think that we should commit them to writing so, you know, that could be like we do --

mayor Adler: Like in budget?

>> Kitchen: Like with budget that's a direction or with amendments, I don't have a preference, but that's just easier for everyone. As we go back and look at stuff, we all can remember it. I know you guys will track it, but with everyone else, it's easiest if we have something in writing.

>> Mayor Adler: I say to that degree, if you could post it on the message board for staff and others to take a look at, that would be helpful. Okay? All right. Thank you all very much for that. Let's see if we can hit these three items here quickly so that we don't have to come back. Item 3, we just talked about trying to daylight stuff to the message board prior to the meeting. Item number 42, I pulled that, I think councilmember pool, you did as well, I just didn't know where that was coming from. I don't need a long explanation, but just to understand it better would be great.

>> Pool: Great. I have one page with background and references just to give some information about it.

[12:30:09 PM]

The intention of the resolution is allow our staff to fill in some of the background work that's gone into the -- I'll go ahead and talk about a little about what happened in my office. First, I want to give a strong hat tip and thanks to councilmember Houston's office and also to our public health and Austin code department, and what we're looking to do here is craft a process to improve the quality of life for folks who have mental and physical disabilities and who have to live in a rooming or boarding home. In this instance, we're focused on the housing and domestic care provider, and we're going to look at ways and our staff will help us to identify how to improve the quality of care because these are really vulnerable populations. Some experiences I've had in my district, and I think there were experiences throughout the city, there's a gap in oversight for domestic services provided to residents with mental and physical disabilities, so I'd like us to explore some remedies to ensure their safety and well-being, and that is the primary concern here. We'll ask staff to look at a certain category of services that some of the operators of the rooming and board homes offer T clients who have mental and physical disabilities, things like money management, assistance with their medication, and determine how to ensure that the service that is provided to those folks is high quality. So we're not talking about regulating the rooming and board homes because there's already a permitting process through code that determines that structures are safe, and the resolution is not asking staff to revisit or reevaluate that process. As part of the process for any future programs, I would envision a thorough stakeholder process with the community that would include residents and providers, integral care, and adapt. We've already been talking with folks from both of those organizations. And also the mayor's committee on people with disabilities.

[12:32:11 PM]

My appointee is really interested in this issue. And then I'm asking staff through this resolution to bring us back some recommendations by the end of April. So in case there were any concerns about the possibility of shutting down homes, we are not looking to do that that's the last thing that we want, is for good homes to shut down. Operators do provide a vital service in our community. This is low-cost housing. It provides shelter and community to a vulnerable population, with the addition of domestic care and assistance. So we want to encourage good providers to open and operate homes to provide

these services, and that's why the resolution includes language not just about licensing but also about incentives. So, of course, we want to make sure we have safeguards against displacement and homeless, --that's what our staff can speak to, two. Everyone is on the same page. We want to improve the care, not eliminate it. My intention is to spark a conversation in our community on the issue of quality home care for the truly vulnerable residents among us who need it the most and who are, frankly, the most susceptible to exploitation and abuse, and that has been a problem. This has been a gap in the service provision that the city has not thus far been able to get involved in, and I think we have found a way to improve the quality of care for the vulnerable populations and close a gap in oversight to guarantee a clean and safe home for those who have mental or physical disabilities and challenges and who may not have anybody to advocate for them on -- to this end. So I've asked director Hayden and director Wright and assistance city attorney link to be here today to help answer any questions that you all may have and to discuss the process that they envision in order to get us to April with some answers to this resolution.

[12:34:13 PM]

And I think we may have code assistant director here as well. There he is. Great. Finally, I'd just like again to thank councilmember Houston for her work to improve conditions in rooming and boarding homes in particular, through her resolutions that resulted in improved regulations for structures and crafting the reasonable accommodations process as well. So this resolution would be our next step together toward improved care within the home.

>> Mayor Adler: Thank you. That answers all the questions I have.

>> Pool: Great.

>> Mayor Adler: Ann?

>> Kitchen: And thank you, councilmember pool, for bringing this and thank you also for -- to councilmember Houston, I know it's been a top issue for you, as part of the committee. So I think this is inherent in this, councilmember pool, but I think it's also useful in looking -- for the staff in looking at this to consider the workforce, the folks that work in these homes. That's a lot of the -- that is a significant difficulty for these homes to provide a standard of care, both the training level and the pay level for folks who work in these homes. So I think it's inherent in what you're talking about here, the incentive programs to the providers and the viability of licensing individuals. I'll probably just say something to that effect on Thursday.

>> Pool: That sounds great. And that even could be something that our staff bring to us when they bring back their assessment of the resolution in April, because the incentives could be across a wide array of education and training and building the workforce and supporting the people who are delivering the care, kind of like what we do with child care. We want to make sure it's high quality and that the child care centers are safe and clean. So we want to do that, a similar thing here.

>> Kitchen: Yeah. The folks that work in these homes often don't have access to training, and the pay level can be just abysmal.

>> Pool: So we may be able to close that gap.

[12:36:14 PM]

>> Mayor Adler: Councilmember Houston.

>> Houston: Thank you, mayor, and I want to thank councilmember pool for taking the next step. I just want to give some history. Back in the regular session in 2009, house bill 216 was passed in the regular session, which allowed municipalities to license and permit boarding homes. They didn't want to do it themselves, and so they passed that down to us. And we got so far, but they have standards of care that they also said we should be able to implement. We got to the licensing and the permitting, and so now this is just the next step in trying to fulfill house bill 216, which was enacted by the Texas state legislature to protect the very vulnerable people that are living in these homes.

>> Mayor Adler: Thank you. That's helpful, too.

>> Kitchen: It also occurred to me, just to add onto what Ora is saying that we may find through our staff's diligence that there are some improvements that we might recommend to the Travis county delegation. We might not be in time for the current session in '19, but we might be in 2021, and we might have some legislation at the state level that could then improve circumstances across the state.

>> Mayor Adler: Jimmy and then Greg.

>> Flannigan: I would be remiss if I didn't note we have more than just the Travis county delegation now. We have a bigger delegation that is in support of our efforts here at the city, so we can start to rethink about how we describe the delegation, too. But more specifically to this, when I first read the ordinance, it seemed really broad, but now as I hear this conversation, it seems for focused on people that provide both housing and domestic care, and my first read of it, it felt like an "Or," so it felt like a really broad thing. I'm hearing that that's not what this is so that makes me feel better. And then in the staff exploration, I'd be really interested to see the financial side of this and our ability, just our ability to regulate and track this type of activity do we end up building a regulatory enforcement arm that is paid for through fees to the good actors, but we never actually get around to the bad actors?

[12:38:28 PM]

We have had this issue with just general housing, the kind that isn't providing domestic care services. I don't want to be in a situation where we're charging licensing fees to the good actors, which then they already struggle to pay people the wage they should be paid F type of education one has to have for these domestic services, and that's just kind of like the puzzle piece I want to make sure we understand.

>> Mayor Adler: Greg.

>> Casar: And I'd like to thank councilmember pool for really clarifying what it is we're trying to achieve with this, and I do think it's really important for us to try to protect against forms of exploitation and abuse at these homes. I just want to daylight that I want to think through whether between here and Thursday it might be important to include in the be it resolved some of that intent that I think councilmember pool laid out very clearly, that I think should be all of our intent to keep homes open and do no harm and not lined up, trying to tailor something to fix a problem, but then ultimately having an unintended repercussion. I just think -- I think that's all of our intention. I think you laid that out really well, but potentially -- let me just think through if that might be something that's useful to write in so it's very clear from the beginning what it is we're trying to do.

>> Pool: Absolutely. That I think direction, also our staff is here and they have had -- they have heard that, too, and will deliver that to us in April.

>> Mayor Adler: I mentioned in the house bill, that might help someone reading this understand exactly what it is we're doing, as well as the allowance for us to be able to act in this area. Delia.

>> Garza: Yeah. I just want to do add because of the comparison to high quality child care, the city doesn't require that we want to incentivize that. Part of the requirements of being high quality is high cost of it. Some of them won't become, but are still facilities people will take their children to and can afford to. So when you add that level of high quality, you add additional cost to that, which is prohibited to some families.

[12:40:35 PM]

So, you know, just to tag onto Greg's and Jimmy's comments, I want to understand, you know, there's a way to incentivize and there's also a requirement in how that could be cost prohibitive. I remember being in some homes in some really sad situations, but it's also because that's where the family can afford to have, you know, family members.

>> Mayor Adler: All right. Thank you, Ms. Houston.

>> Houston: So unfortunately, most of the folks that we're talking about don't have families. They get federal subsidies, and most of them are not -- have a relationship with integral care so this is a pretty old one, but they do take up a lot of our resources. We did this, what, about 2015, 2016, and some of these houses have 72 -- the largest is like 72 calls for public safety, EMS, fire, police run every time somebody gets injured or somebody's called, so there's a lot -- there's a financial implication to making sure the people here are taken care of. I just wanted to show you this because they did a great job in putting this together many years ago, and I'm sure it's the same now. We're using a lot of resources.

>> Mayor Adler: Thank you very much.

>> Pool: If anybody would like to see the rooming and boarding homes that integral care has, there's about 60, give or take, on their registry, and by far the largest cohort is in district 1, but it's throughout all the districts except for 10.

>> Mayor Adler: Okay.

>> Pool: And we only have the registry from integral care. There are people in these homes who are not registered within integral care, and we're hoping through our conversations with adapt and some of the other groups that we'll be able to find them and have that database, kind of like we've talked about for affordable housing, where are those affordable units that people can decide to live in, does it work for them in their budget and the location, then we can also have something along those lines, a database and a registry, for homes that we have some oversight, again, closing the gap, because the care that's being given to some of the mentally challenged and disabled -- ability-challenged people who are living there, they're giving their checks over 100% to the operators of those homes, and may not be seeing any real quality care as a result.

[12:43:05 PM]

So really want to kind of get in there and do what we can to incentivize a higher level of care.

>> Mayor Adler: Ann, you want to close this out?

>> Kitchen: Just a quick question. Can you tell us where to get that list?

>> Yes. We will clean it up and make it available, and we got it directly from integral care.

>> Mayor Adler: While we have you here, Leslie, the next item was item 43. I pulled that. I think you did too. Clearly a need for us to do this, given the experience that we had.

>> Pool: Yes.

>> Mayor Adler: I just couldn't talk to you because I'm outside of your quorum. I handed out some language that just adds a little bit more specificity on the information that I'd like to see. I remember when the conversation came up, all these things involved trade-offs. I just want us to be able to identify what those trade-offs are. So I was intending to bring language like this, that would do that the date on here is obviously 2018, in February. That can't do.

-- That can't be. I just didn't know, December 13th if you need be able to get it back quickly or --

>> Pool: If I could jump in on that on best practices, the library commission started working on this shortly after some of the incidents at some of the libraries back in March. And I think they did a really good job, and we may have that information on best practices from the library commission. So let me check and see on that and see if we can provide that to everybody. But there has been a lot of diligence and hard work, and I just want to thank all of the folks who serve on the library commission. Many of them or a majority of whom are actual librarians and work in library sciences. They do a really good job of bringing their recommendations to us. Then law was very careful to craft the language of this resolution so that we were both recognizing what the commission was asking us to do, what the community was asking you to do, and what the law allows.

[12:45:09 PM]

>> Mayor, can I just weigh in on that? I completely agree with the councilmember who talked about the engagement that our library commission and even library staff and law has had in this discussion, and I think if it was just isolated to libraries, we could move forward very quickly and even meet the timeline that was initially proposed. But I think if we're going to involve other facilities, it would just take some broader discussion about what those best practices are. If you were to include other facilities, then I would encourage us to have a little bit more time to do that work.

>> Pool: And by other facilities, do you mean palmer? Because that's the only one.

>> Correct, yes.

>> Pool: So you're thinking if we pull out palmer at this time and do a best practices look at that then we would be able to to move forward on the libraries piece?

>> Mayor Adler: I haven't been involved in those conversations so it's a very new topic to me. So I recognize other people may have done lots of work on it, but it's new to me. I don't know what the trade-offs are or what the issues are. So I'd like to have the opportunity to catch up to all the work that's been done. So to be able to get a report back from staff that identifies those issues and then to be able to work on it.

>> Pool: Well, my staff will work with you --

>> Mayor Adler: And I also think that all the problems we ran into or challenges we ran into at the library, I want to make sure we don't run into at any of our public facilities.

>> Pool: So to that end, let me just -- because -- September of 2015, the rules were administratively changed to identify city buildings and facilities as non-public forums. That effectively banned petitioning on the library grounds. I didn't find out about that until we started putting this together, and it became a concern for the community when petitioners were not welcomed at the library.

-- Administratively, the rules were changed three years ago, and nobody was aware of that, which is how we ran into the problem.

[12:47:13 PM]

But it doesn't circle around a first amendment right. And -- let's see. There was a cease and desist warning issued against the city. The city manager lifted the ban on petitioning. That was a few months ago. So residents can gather signatures at libraries in a non-disruptive manner, and they have been doing this for decades. The library commission began working on the issue. In August they recommended that council rescind the ban to allow petitioning on library grounds, and I want to commend the petition for that work, with the library commission's recommendation, my office began working with law to craft the language that would guarantee Austin residents' ability to engage in non-disruptive, free speech activities at libraries. Palmer event center is included because it is on city

parkland and because it's a popular site for first amendment activities. I think if we boil it down to the concern about first amendment rights -- and these are public buildings -- I think that really clarifies the issue, which is why I have brought forward the resolution that includes palmer.

>> Mayor Adler: Ms. Houston no? Okay. Jimmy.

>> Flannigan: Yeah, I'm with you on this one, mayor. At least in terms of getting my head around what it is that we're trying to solve here and what the implications are. It does seem odd to me that palmer would be the one site included outside of libraries because I don't know that it is a popular place for free speech activities. I mean, the plaza at city hall is where most of that occurs in terms of city properties. But I would prefer we err way to the side of the first amendment here. I don't know that I want to see any restriction at all, but defining disruptive, and the community knowing what that is or isn't, and maybe not part of this discussion, but a larger discussion of understanding what our abilities are to require disclaimers other other notices on petitions or other types of activities that are occurring on city lands, that the public is fully informed who the groups are that are doing those activities and what is being conducted and that there's no misunderstanding from the public that these are city-sponsored or city-incentivized activities, that it is a free speech activity.

[12:49:52 PM]

I don't know that that's the point of this ordinance but it's a separate conversation I'd like us to consider.

>> Mayor Adler: Alison.

>> Alter: I had some concerns about the restrictions and the proposed ordinance on page 3 with respect to the expressive activities not permitted. So I also would like to be erring on the side of more free speech. And the libraries I'm most familiar with in my district, you would essentially be prohibited from doing it because there is no, like, entryway into the library that's, you know, 15 feet -- you know, you have your entrance kind of right at the -- right at the driveway or right where the parked cars are so this would effectively prohibit this activity of free speech at these libraries. I see that Mr. Weeks, I think, is here, and I understand there was some discussion at the library commission and you had some strong feelings, and I hadn't had an opportunity to hear from you on why, from the library's perspective, this was important for the ability for the library to function. I am more familiar with the free speech questions here, but as a library professional, I would like to invite you to share your thoughts -- I'm particularly concerned about the spacing, but you can feel free to talk about other arguments.

>> Right. The library is the most public of public places. And that's in any state that you go to. And just recently, about a month ago, there was a group that posted on their website that there was going to be a meeting there by the democratic socialist party. Members got upset with that. At twin oaks, they posted a pig head on the fence, just because they thought it was going to be there. It was N there. So when people want to express their concerns, they do it sometimes in the most extreme ways. My concern is that they do that in the middle of the doorway, of people trying to come in and enjoy our services and our programs.

[12:51:56 PM]

So that was the reason I wanted to have that 15 feet in there.

>> Alter: So there are different types of free speech, so I was thinking -- I was thinking of a different type of free speech, which was petitioning and being able to be, you know, maybe not right at the door, but if you're 15 feet, then you can't be in the driveway, then there's no place for you to be. I don't know if there's a distinction between different types of speech or -- you know, I wouldn't want people being accosted as they come into the library, but if you cannot actually try to have a conversation or --

>> And that's part of the problem because staff don't know that. We don't know what they're talking about. We don't know what the petition -- we don't care what the petition is or what's on the petition. What we care about is how it's going to disrupt our customers that want to use our customers. That's the thing that they're concerned with and that I'm concerned with.

>> Mayor Adler: So my thought was not to have us debate or even to try to figure out what the right policy was. I was just trying to raise my hand to say, I'm not ready to even have that conversation because I haven't had a chance to vet that issue because I didn't know what the issues are. So all I was trying to do by my amendment was to say please make this broad and identify for us what the issues are and what the options are, because that would be helpful information for me to be able to think about or ask other people to explain to the office. You know, the issue with respect to can that really happen in the next two weeks or not, I don't know the answer to that. If all that work has already been done, then staff can give us that stuff here in the next day or two so we have a couple weeks to think about it, then it might very well work. If staff is not able to do that, then probably to have a little bit more time to be able to think about it and to vet that so that we can have, at that future point in time, the policy conversation about what are the choices we need to make and what are the options with respect to those choices.

[12:53:58 PM]

>> Pool: And that sounds great. We'll see what we can do to get the additional information, and if we can do it in time, great, and if not, we'll delay. I do want to say that the example that you're giving to us, Mr. Weeks, would not be considered -- that would be considered aggressive, and that would not be allowed. I mean, we're talking about -- we're talking about civil behavior and not civil disobedience, and we're not talking about aggressive displays that you have talked about. That is not what we're talking about here. Primarily, it's the petitioning and being able to talk to people about an issue that matters, not by posting -- yeah.

>> And I understand that. It's just that if you don't have a limit, where they can stand or speak, then they may be in front of the door if you don't tell them where they need to be.

>> Pool: So we can continue to have that conversation, but as Alison pointed out aptly and as I've noticed by visiting the various libraries, if you put a per-foot on there, then people will be out in the

street, and so we need to remember that we're not trying to keep people away from people. This is a community gathering place at a library, and it's a mixing place, and we expect civil obedience and civil protocol, and proper behavior. Not as you were describing earlier. I think that is a real anomaly. I'm sorry that happened. And if staff don't know how to handle that sort of thing, then we need to talk about that. But that's not what this is about.

>> Well, I want to beg to differ that it's not an anomaly. It happens quite frequently at our libraries. Recently we had someone with a gun at our central library. And, you know, staff is fearful sometimes of the things that go on in our libraries. And I just want to make sure that I can protect them in some form or fashion without impeding the rights of others.

[12:55:59 PM]

But I do want to make sure that our customers and our staff feel safe when they're on our property.

>> Pool: Absolutely. That would be paramount for us as well. So we're just looking at a resolution at this point and see what information we can gather and disseminate.

>> Mayor Adler: Great. Anything else on this? Ms. Houston?

>> Houston: I just want to do clarify very quickly, so when we say such as libraries, does that also include any city property?

>> Mayor Adler: I was thinking let's adopt a policy on public property.

>> Houston: That's what I -- because the carver museum is very public. It has a plaza. But that would be excluded if I read this strictly as the way it's written, so I was thinking if we include all public city spaces. I would like --

>> Mayor Adler: And I just don't remember in detail what the issue was as it rose for petitioning. But my recollection of the time was, it wasn't something that seemed to be just that could potentially arise with respect to libraries, could be broader than that, so that's I didn't just asked, as long as you're looking at it, tell us if there's some kind of policy we could adopt uniformly or otherwise. Alison.

>> Alter: So in bringing up the detail about the 15 feet, I wanted to highlight that as something that would need to be considered by city manager as they evaluate this ordinance or potential be responses, that that was a piece that was of concern to me, but rather than trying to edit the proposed ordinance, I wanted to just flagt there may be more than just the libraries in my districts for whom we are effectively cutting off this ability to have this expressive activity by the definition, and we should go in with open eyes, and there may be additional information that makes us want to do that, but I'm going to want to see those -- that rationale and understand the nuances because we do have different-aged libraries that have different ways of -- that people approach them from the street.

>> Mayor Adler: Okay. Let's go on to the next item, the last item we've pulled.

[12:58:01 PM]

Thank you, sir. The last item is item number 62. Jimmy, you pulled this?

>> Flannigan: Yes. I had a bunch of questions that my staff has been able to get mostly answered. I'm somewhat in agreement with the concerns that were expressed by the public, by Mr. Robbins, but it seems to be kind of nominal in the grand scheme of things. So I'm just -- the three components of it are the -- going from volumetric to fixed rate for the conservation programs, the extension of three years, and then the selection of the oversight consultant. And so for me, I understand the desire to make a more sustainable revenue fund by going to a fixed rate, but if you're also going to extend it over three years, that helps average the cost over time, and so I don't know that it's necessary to go to fixed if you're also going to do a three-year contract. That's one section. And then the other is, it's my understanding that tgs or -- suggested the vendor for oversight, and the city then hired them. That seems like a weird process. So I didn't ask a question. But that's how I feel about it. So I kind of just -- when I pulled it was to get a sense from my colleagues if this is something we want to continue to dig into, because it's like a dollar -- it's like a penny's difference, I think relatively speaking, so is it worth continuing to dig into or should we just move on.

>> Mayor Adler: Ann.

>> Kitchen: I have similar concerns. I haven't done as much homework as you have. I haven't had a chance to talk with you all about it. So -- but, you know, the change in the time frame is significant. And I have the same questions you have about moving to fixed. So -- actually, I have the same three questions.

[1:00:02 PM]

And so --

>> Do I address those?

>> I'll be happy to. Good afternoon. I'm with telecommunications and regulatory affairs officer. First to address the Texas gas services request to move from a volumetric rate to fixed rate, they're proposing a change to eliminate significant overcollections and undercollections depending on the weather. If it's winter, it's volumetric. If it's a warm winter, then they -- they are selling less gas and, therefore, can influx the rate. So it's really to address the weather-related swings in the consumption. The fixed fee will also level the monthly fee to \$1.19. There are spikes in the rate during winter months when the consumption is highest so this is going to level out that conservation rate the same for all 12 months. So that is -- I actually asked them to do a comparison just like in 2017 and '18, you know, what is -- under the current rate structure, which is the volumetric, and then this fixed, and it shows like from 2017, winter, it was cold, so there was the monthly rate would fluctuate from .59 up to almost four dollars a month. So that was the reasoning that they gave for moving to this fixed rate. Moving to the annual, you know, right now it's an annual budget, and from the perspective it will allow more efficient program

planning and budgeting, I think we had a discussion this morning just about moving to a biannual budget. It reduces the administrative costs, if there's changes to the program and rebates, then they have to -- notification, you know, they have -- reprinting, there's just a lot of administrative cost.

[1:02:05 PM]

And they will -- Texas gas will continue to conduct the annual evaluation measurement and verification. That's the cost-effective study that will be reported to the resource management commission, as well as to the city. And they will also continue to do an annual report on the program and present that information to the resource management commission and to the city as well. As far as the third party -- okay, so the tariff, the current tariff, it does not actually call out and require a third-party consultant to do the cost/benefit analysis. It does require that the portfolio of the conservation programs be cost effective. So they are meeting that. It was back in 2015, up until then, there was not really a cost effective -- there was not like a verification or a measurement evaluation of the conservation program, and our office requested Texas gas to seek expertise and start conducting the analysis. And they did bring -- I mean, they hired the third-party consultant, they paid for the consultant out of the conservation program budget fees, the budget. The consultant was -- you know, he went to the resource management commission, he came to -- you know, I met with him, just understanding his expertise and credentials, and he performs work for, you know, electric and gas utilities, but he also performs studies for other state public utility commissions, other regulatory commissions. So we -- you know, he's been very -- very open for feedback, and there's been changes made to, you know, the program and the rebates, and so there's been a lot of give and take. So it's a third-party consultant that Texas gas hired that is paid for by Texas gas.

[1:04:05 PM]

But there's -- there is, I think -- I think we do have a fair amount of input, and from the resource management commission and from the city. So that's the -- did I cover the questions about the fixed, moving to three years, and the consultant? And in the new proposed tariff that is on for Thursday, it does add more -- it does actually specify and codify that the third-party consultant be hired and that the portfolio of programs, again, be more cost effective.

>> Mayor Adler: Any questions?

>> Kitchen: Yes. So the annual review that you mentioned -- but that's not -- help me just understand the scope of that. Is that an annual review of the rate and allows for changes in the rate if necessary -- if deemed appropriate?

>> The annual -- there will be an annual report that the Texas gas will provide, and we have discussed this question with them, what if there are changes.

>> Kitchen: Right.

>> So the budget is, let's say, 3.6 million. That's the bottom line. The rate is fixed, but there being be tweaks and changes made within the programs and rebates and kind of move it around, as long as it's -- you know, the residential class, although the revenues collected from residential has to -- but, you know, you have to keep within the residential. So there could be some -- I think some tweaks and changes made to the rebate programs and the dollar amounts, but the goal was to -- I mean, and Texas gas, I mean, that was -- the reasoning is that they wanted to have more of a longer term budget and --

>> Kitchen: Yeah. I'm just trying to understand. I think I do. The impact is that it's three years before you can review and change the rate again, essentially.

[1:06:07 PM]

So it is going from a one-year rate to a three-year rate, which is what I wanted to understand. And that's new.

>> It is new.

>> Kitchen: So -- and the volumetric, just a question there. I can see the leveling out impact, but was there analysis of what that would do for individuals?

>> The average -- the average residential customer currently is \$1.59 per month. Under the new fixed fee, would be \$1.19 a month.

>> Kitchen: So that's average, which sounds good. But that doesn't tell me the spread. And it also doesn't tell me if there's some people at one end, you know, that would actually have higher. So was that kind of analysis done?

>> We can -- we can request Texas gas to provide that information.

>> Kitchen: That would be helpful information.

>> It was more of an average impact.

>> Kitchen: Well, I understand that, and that's important, but it doesn't help me understand the impact on the individual customer.

>> Mayor Adler: What was the range again? You gave it a second ago. I thought you said like 50-something cents --

>> It was -- so the range on the average monthly impact went from \$59 per month up to almost four dollars and maybe a little higher per month.

>> Kitchen: Can I speak? And the reason I ask that is the thinking behind the volumetric is that some customers use less, and so we'll be paying less. So if you go straight to the fixed, although it might work out -- well on average for the utility, -- it might not work out well for -- some individuals. -- that's why I'm asking for that -- analysis. -- and particularly if those are the -- individuals that have some --

-@options to have more control over%-@their cost because of the amount%-@that they use, so -- so that%-@would be a piece of information%-@that would be helpful for me to%-@understand.%-@>> Okay.%-@p>> Mayor Adler: Alison.%-@p>> Alter: I just wanted to%-@clarify that the fee that we're%-@looking at is just the%-@conservation fee.%-@we are still going to see on an%-@annual basis the gas rate that we%-@have to approve because we have%-@regulatory control over texas%-@gas.%-@so this is taking one piece of%-@the bill and saying, instead of%-@making it based on volumetric,%-@we're going to make it a fixed%-@rate and that's going to provide%-@the argument -- the argument that%-@texas gas is making is that that%-@makes it, so they get a fixed%-@amount of money, they can plan%-@better, they can budget better,%-@they don't have to pay the costs%-@for various studies over and over%-@again when they have a general%-@idea of how -- a fixed amount%-@that they want to be able to%-@spend on the rebates.%-@but we will still be seeing gas%-@rates, which is the bulk of the%-@bill, on an annual basis.%-@correct?%-@>> Yes.%-@this is only the conservation%-@adjustment clause component of%-@the rate.%-@and then whether it be a full%-@rate case, which you're looking%-@at all of the rates,

[1:09:14 PM]

the rate%-@design, but also annually, they%-@do come in and request for gas%-@reliability infrastructure%-@program, the group, which is an%-@annual adjustment for them to%-@recover their capital cost, which%-@we will see next spring.%-@p>> Alter: Okay.%-@thank

you.%-@p>> Mayor Adler: My sense on this%-@is I'm probably going to support%-@the recommendation because I%-@think the variances we're talking%-@about are so small, but that the%-@impact on the enterprise and%-@being able to have that%-@certainty , I think, fits with a%-@differential that just is so%-@small.%-@ann.%-@p>> Kitchen: Well, I appreciate%-@that and that may well be the%-@case.%-@do you think it's possible to get%-@the information I requested in a%-@day or so? %-@>> Yes.%-@we will request Texas gas to --%-@P>> Kitchen: Okay.%-@>> -- Provide that information%-@asap.%-@p>> Kitchen: Thank you.%-@p>> Mayor Adler: Are we ready?%-@pio?%-@p>> Renteria: I have one item I%-@want to pull for Thursday and%-@that's item 12.%-@p>> Mayor Adler: Anything else on%-@this gas issue, Ms. Houston?%-@p>> Houston: I am really sorry,%-@but I did not understand about%-@the consultant.%-@that was very squirrely to me, so%-@if you could say that one more%-@time, the consultant is paid for%-@by Texas gas, and advertise%-@employer of Texas gas, or ex%-@employer?%-@>> The consultant is hired and%-@paid for by Texas gas services,%-@an independent consultant.%-@it's not an employee or former %-@employee of Texas gas service.%-@it's a national consultant.%-@they work on behalf of our%-@regulated -- our public and gas%-@and electric companies, but he%-@also has provided services for%-@state public utility commissions,%

-@the regulatory commissions at the%-@state level versus at the city%-@level.%-@p>> Houston: And is that part of%-@the contract to have a consultant%-@paid for by the person we're%-@regulating?%-@>> No.%-@it's not part of the contra ct.%-@it is -- we worked with texas%-@gas.%-@we wanted to have some cost%-@effective studies in evaluation%-@of the program back in 2015, and%-@it was agreed that they would --%-@that the fund for that consultant%-@would be paid out of the program%-@funds.%-@they did hire the consultant but%-@before doing so they ra N by,,

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-- they ran by the consultant, his expertise.

>> Mayor Adler: I think the community said, hey, if you're going to do these programs, you need to understand that they're cost effective. The understanding we had a couple years ago said to them, when you come back to us next time, hire somebody and actually take a look at the cost effectiveness of this. So they did that they hired somebody who looked at the cost effective -- that's all this is. I mean, they're doing what it was that we asked them to do, two, three years ago when the program came before us and the community raised that issue, and they hadn't had anybody look at the cost effectiveness. We told them go ahead and do it, and we said you can charge that person to the fund. The fund can pay for that person. So now they've done that and the person has come back and said -- and given that -- given the analysis to our staff. So I'm fine with that, too. Greg.

>> Casar: One of the other issues that has been raised, probably not as a main issue but as a side issue, is whether or not flat fees, in this case or in any other case, are regressive to low income folks or not. I think the assumption underlying that would be that low income folks use less gas because they're trying to save money, but when we were working on the Austin energy rate case and we looked at cap customers, they were actually spread pretty evenly amongst using low amounts, average amounts, and high amounts of electricity because some folks live in smaller spaces but also may live in older homes. So that's all to lead up to asking y'all, from the gas perspective do we have any information that indicates that lower gas usage correlates to lower incomes, or do we not really have a handle on how those are related, if they are at all?

>> I mean we did have the -- we had the conversation with Texas gas concerning the, you know, this regressiveness. And they don't have any, like, compelling data that shows their customers, and what income they are, they don't collect that data, but this program, I mean -- and they also -- the assumption is not just because you're low income, you're going to use less gas, because getting back to the point that their point could be -- weatherization, old furnish furnases, gas equipment so it doesn't help with low income appliance replacement, help with weatherization, coordinating with Austin energy on some programs.

[1:14:30 PM]

So I will reask that question to Texas gas just in writing so I can provide if they have any additional information from what they told me that they don't really collect the data on their customers.

>> Casar: Yeah, I just wonder -- again, today I know we're talking about a smaller piece of this, but just for future gas rate cases, this comes up, it may be useful to find out if there's any way we can take our cap customer addresses and work with gas providers to maybe anomomize the data and figure out, as far as gas usage is concerned, what the level of correlation is between cap customers and gas usage

because we may find that low income folks use more gas residentially, in which case we'd have attention between conservation and regressiveness, or we may find, unlike electricity, they may use less, in which case those things align. Sounds to me like we don't have that information, but for the next bigger rate cases, I know it will come up, so it's better now that we have the chance to bring that up.

>> Thank you for that direction.

>> Casar: Yeah.

>> Mayor Adler: Anything else? Alison, then Jimmy. I'm sorry, Leslie, then Jimmy.

>> Pool: I was speculating with Larry green about that very thing about whether this would be regressive or whether, in fact, people in less weatherized homes maybe, because they don't have money to weatherize them, would be spent more money on gas so that a fixed rate would be helpful to them. So maybe we can align our weatherization program maybe with the cap information and see if we are -- can we help some customers that we haven't will ever, like with windows and insulation and that sort of thing, that could help keep a home warm longer, and they wouldn't have to use as much gas.

>> Mayor Adler: Jimmy, you want to close this out on this issue?

>> Flannigan: Yeah. I just wanted a little more information on what cost effective means, and what it is that we're asking for in terms of metrics for the program.

[1:16:31 PM]

Because it's one thing to measure it by does the appliance you replaced save the homeowner money, but if you're only implementing that program in new construction, then you're not really helping the folks that I would prefer to be helping. And so I'd like a little more information about what cost effective means and how the program is being evaluated.

>> Mayor Adler: Okay. Let's go to the next item. Pio, you're pulling item number 12? Thank you.

>> Renteria: Yes. I have a concern between item 12 and 13. We're vacating an alley, it's 669-square-foot and we're getting 4,\$856 for it. This is all in district 3, we're selling an alley, vacating it, and we're only getting \$11.38 a square foot. I want to find out why there's such a difference. It seems like we're just giving away the alley itself on -- between navasota and onion, and it seems like the appraisal came in extremely different, you know. The other side is further east on Martinez street between fifth and fourth street. So I don't think we're getting our value there, especially that it's the hottest spot right there next to saltillo, and seems like we're really just giving away that piece of land.

>> Mayor Adler: Okay. Hank you, councilmember. I know mayor pro tem has brought this up in the past so I'm going to have staff follow up with you because they're not here to directly answer your question. But we're also looking holistically in ensuring that we're getting the appropriate value for these type of purchases. But I'll follow up specifically on this with you.

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>> Mayor Adler: And would you give that information to all of us?

>> Yes.

>> Mayor Adler: Great. Anything else?

>> Tovo: Yes.

>> Mayor Adler: Yes, mayor pro tem.

>> Tovo: I appreciate both the concern and the city manager's response and I just want to indicate that we're continuing again to see alley vacations appear on our agenda, and one of the things that my staff is doing in conjunction with some of the stakeholders who over the years have expressed concerns about this is revisiting the idea of having some kind of alley planning process. You know, other cities have done very innovative things with their alleys, and, you know, again, we're losing those opportunities one by one on our council agenda for us, as my colleague has pointed out, extremely little financial value to the city. So thank you for that continued thoughtfulness on how we move forward on this.

>> Mayor Adler: Thanks for that work. All right. We're now going to go into closed session to take up three items pursuant 551.071 and 072 of the government code. City council is going to discuss legal and realize matters created to e2 and e3, then 551.074, personnel matters. This is also in the government code, related to item e4. E1 has been withdrawn. It is 1:16, and without objection, we will now go into executive session. We will not be coming back here other than to close out the meeting.

2:40:15 PM]

[Mayor Adler] Alright. We are out of closed session. In closed session we discussed real estate, legal matters related to items: E2 and E3. Personnel matters related to E4. It is 2:40 p.m. here on the 27th of November 2018 and the meeting is adjourned.