

City Council Budget Work Session Transcript – 8/29/2019

Title: City of Austin

Channel: 6 - COAUS

Recorded On: 8/29/2019 6:00:00 AM

Original Air Date: 8/29/2019

Transcript Generated by SnapStream

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>> Garza: All right, good morning. I'm mayor pro tem Garza. Mayor Adler will be here shortly. He's on his way back from city business. We have a quorum. We're in -- no, we're not in city council chambers. We are in the boards and commissions room at city hall. Today is August 29th, 2019. It is 9:11. I'm calling the meeting to order. This is our second budget work session. Today we will be having presentation on the hotel occupancy tax overview, first responder mental health calls for service, the meadows report, homelessness funding, fiscal year budget updates and the financial policy changes. Are there any other topics that councilmembers would like to discuss today? Okay. So I'm going hand it over to the city manager to give us a few words.

>> Thanks, mayor pro tem and councilmembers. Just on that last note, this is an ongoing discussion. These were topics that were

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curated from discussions that Ed van eenoo and I had with each of you over the course of the last several weeks, and from feedback that we got from our community. And so these were things that we wanted to make sure were on the agenda, but this is really your chance to explore other areas in budget, so we will continue to take that feedback on other topics that you want and after the end of these four presentations we'll make sure to have space for that dialogue as well. We have another budget work session on September 4th and we'll make sure to continue to curate that dialogue based on the feedback that we have. But we stand ready to answer any questions. There was a request to change the order and to start with the meadows report, so we have a great team assembled to talk about the findings from the report and some of the initial recommendations, and I'm going to turn it over to assistant city manager ray Arrellano to introduce us.

>> Thank you, city manager and councilmembers. Ray Arrellano, assistant

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city manager. It's our pleasure to provide an update on the first responder mental health calls for service. By way of background, in the current fiscal year council set aside a funding amount in order to study what improvements -- what system improvements that we can make that will ensure that in an incident involving an individual in mental health crisis Austin's first responders will ensure that individual receives clinical care as quickly as possible, there by ensuring the safety and security of the individual and the community. Staff engaged meadows mental health policy institute in order to conduct that study. And with me here today is bj Wagner, excuse me, who is the lead consultant on the study, who will provide an overview of the approach and the recommendations that came of the study. Also with me here today is assistant chief Justin Newsome, Austin police department, as well as don Henley, chief operating officer from integral care,

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as well as assistant chief Andy Hoff deletemister from ems. They will help on piloting the recommendations. I also want to recognize in the audience Karen reynas, with the Texas alliance of mental illness. With that let me turn it over to bj.

>> And you told me to remember that too. Good morning and thank you for the opportunity to provide you with this overview. I'll keep my comments as brief as possible to ensure that you can get the meat of what's happening now from the other folks here today. As you know with Austin being one of the country's fastest growing metropolitan regions you guys have some special challenges on your hand that most city leaders don't face. Some of those challenges include ensuring that your public safety systems are effective, efficient and well equipped to meet the needs of those who call Austin home. During our engagement with the city we utilize proven data and systems analysis methods to ensure that we can provide with you a tool

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to do just that. Our recommendations are based on published and empirical research, but deeper than that, this research and evidence-based practices and programs all have proven outcomes that match the variables that are specific to Austin. It is a data informed research driven, tailor made map of improvement for the city of Austin. 15 of to get her we pulled calls for service from APD that had any element of a mental health indicator even if that indicator was evident when the call was complete. We then did the same for ems services. Next we incident interviewed integral care crisis hotline details emcot data and then mental health indicate theories had a response to mental health intervention, commonly known as a use of force intervention. We did this in a three year span and used it to match commonalities. We overlaid it in the city demographic data, including socioeconomic status, racial

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demographics. And even though we don't have time to go through all the findings today you can find the specifics broken down into graphic maps in the report by APD districts as well as your city council districts. I'll focus on a few recommendations today due to time, not all of them. A few recommendations go hand in hand. If you will, please refer to recommendations number two and three. Evidence from programs across Texas and across the country show that integrating clinical triage at the earliest point of 911 reduces inappropriate allocation of public safety resources to address health care needs. But also there were several cases reviewed during our engagement in which an officer was never informed the call he was answering was a call with a strong mental health component and a crisis unfolding. This left officers without the tools and information they need and these calls unfortunately resulted in the use of deadly force. Although it is unfair to say that these two issues are causal, as a matter of fact, APD as one of the lowest use of force rates for mental health calls for

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service than any department in the country. It is equally as unfortunate to not provide the department with the tools it needs to address mental health crisis in a modern policing framework while expecting modern policing outcomes. To do this, many communities across the country are adding clinical triage to 911 systems either through the use of a virtual clinician or by adding clinical staff to the call center. This develops the ability to divert calls to more appropriate resources, but most importantly it also develops the ability to provide officers and medics on scene with critical information that necessarily need to be able to manage that call efficiently, effectively live and safely. This effort has saved Houston literally millions of dollars in public safety resources over the past five years and Dallas, a much younger program, hundreds of staff hours while providing critical connections to at a most vulnerable time. The city of Austin should collaborate with integral care to place clinicians directly on the dispatch floor as an integrative

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deponent of 911 operations but it's not enough by itself. Clinicians don't answer 911. Call takers do. So providing call takers with the highest level of training possible to recognize a caller experiencing a behavioral health situation will ensure that they can properly route the caller to a clinician. You will find greater detail in the full report. But now let's refer to recommendations number four and five. There's also an additional large body of evidence supporting mobile telly health as a workforce multiplier making it possible to immediately connect people to crisis and health services at a time where it's needed most. Telehealth is not intended for instances of immediate risk to public safety or volatile calls.

However, overwhelmingly the mental health calls for service, APD and Austin ems are answering do not fall into this range. Yet without immediate care connections, people are unlikely to be connected to care at the moment of that crisis episode. They have an elevated risk cycle of crisis which can after time lead to a more

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volatile outcome when needs go unmet for a long period of time. Emcot does a fantastic job of diverting people into care and should be supported, but it is not practical or financially sustainable to hire enough emcot clinicians to answer each call. In person contacts should be utilized for those most in need and telehealth for low risk calls. Thus maximizing emcot's in person reach to reach those who need it most while providing a more comprehensive conch for mental health calls for service through emcot telehealth. You will find statistics related to savings and positive outcomes when this approach is used. Full implementation of this recommendation is key to any anticipated outcome or impact. The recommendation for targeted telehealth in specific areas of the city includes telehealth capacity for paramedics and ems as well. There is a growing body of research that shows reduction in chronic crisis

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by using telemedicine report appropriately into a co-response with mental health officers. As a matter of fact, this multidisciplinary model was just recognized and awarded by the city and county management association in Dallas, invited to present at the international association of chiefs of police, recognized by results for America and heralded by the state department for its impact of reducing quality of life crimes including those related to substance abuse and use. Through a unique service of prevention that is specific to your city, this response could lay the foundation for a model system for the rest of the state and country to look to. I encourage you to read the full report, consider what different would look like in Austin. And I'm happy to answer any questions that you may have.

>> Thank you, bj.

>> Garza: Go ahead.

>> What I'd like to do now is go through each of the recommendations and have staff provide an update on what we're doing. So this is the first of the

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recommendations and for this I turn to assistant chief Newsome.

>> Good morning. The first recommendation being to -- form an advisory board with Travis county behavioral health and criminal justice advisory committee. We're long members of that committee. We've been on it for a number of years and so this was actually a fairly easy one for us to accomplish. On the 9th of August I briefed the report to the committee and asked for feedback and thoughts and planning going forward on how we can report to that committee and get feedback back from them as ways to improve our response to mental health calls, and we expect to have that first report to them by the fourth quarter of 2019 this year. Mental health training for call takers. Currently all of the 911 call takers that answer 911 calls, they're APD employees. They all receive the state

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mandated tele communications and also crisis communications. Currently that curriculum is being updated by the state. It should be finished in mid 2020. I had my staff in the cit unit along with integral care review that training. We did find some of the gaps that meadows recommended that we train to and so we're currently working on improving that curriculum to ensure that the recommendations by meadows are incorporated in the training. Mental health integrated dispatch, actually dawn and I had become a conversation on this prior to this process even beginning, prior to even -- even hiring meadows. We've been talking about this for some time. It's been a big goal for both of us for a number of years actually. So we're currently amending the work space there in ctec. There's no extra space there so we have to move some people around and create

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physical space for these clinicians to be. We're hoping through this funding process that emcot is able to sustain their current operations and hopefully increase their operations. And dawn and I and others on both of our staffs have been talking about training needs and developing procedures of how that would actually work. It's something brand new. There's not really a model that we can look to that's plug and play and so we have to develop all of that as we go. The first steps being getting that space done and getting the positions funded funded. Again, sustainability of emcot. Emcot is extremely vital and truly the foundation of everything that we do as public safety professionals in Austin in relation to the mentally ill community. I don't know what we would do without emcot and integral care. We started a pilot already, a telehealth pilot, using

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iPads that were provided for by integral care that they had. We have a group of officers actually working in district 7. Being that it's the farthest away from the center of the city and the hardest for emcot clinicians to get to we thought we would start it there just for practical reasons. We started it August

1st. We've had a handful of uses of it. We're still working through some kinks and some procedures to make sure that we can continue it. At the end of this month here this week we'll evaluate what we have done, see where we need to tweak it and see where we need to move it to so we can scale it up and expand it. Collaboration with EMS's community health paramedic between the crisis intervention team and them. To begin that effort we actually moved the homeless outreach street team officers under the supervision of the sergeant of the APD crisis intervention team so that there's some natural

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co-efforts that are undergone there. We have a great relationship already with EMS and the community health paramedics so again that's not a heavy lift for us to collaborate more with them in spots to people who are men actually ill when it's appropriate. We've also amended our procedures in a crisis intervention team so that it's required now that all referrals -- we've been doing this for some time, but we didn't as definitively say it's required until recently that any follow up done approximate by my officers in the crisis intervention team will be done in conjunction with EMCOT. So officers will not go out and do follow ups on their own with to a person's house without taking a clinician with them or a paramedic if that situation is indicated. Community outreach and intervention with name of central Texas. We have a long relationship with name. In 2014 we created and APD

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funded some information that we gave out to the families of people who were experiencing mental illness through name, explaining what to do when you're calling 911 F you're calling 911 for a loved one in a crisis, what do you do? We developed that material back in 2014. We've now translated that into both Spanish and Vietnamese. We're working through our office of community liaison. We already have established relationships in both of those communities and so we're going to weave into those presentations in those forums that we go to training with name, with materials in their native language so that we can educate both of those populations better on how to call 911 whenever you need the police it there or someone there for a loved one in mental health crisis.

>> With that we're available for any questions you may have. Thank you.

[9:27:14 AM]

>> Garza: Councilmember kitchen?

>> Kitchen: Okay. I have a couple of questions. So I'll ask a few and if others want to ask. So let me start with the recommendation related to the clinicians, which I think is -- I forget which number recommendation that is.

>> That would be three.

>> Kitchen: So I'd like to ask -- that's recommendation three, I believe, which is the integrated health dispatch to have a clinician embedded in that. So that I'm seeing here I believe that that's unfunded at the moment. First off, let me just say I want to -- I should start with this. I really appreciate everyone being involved in this. I think it's just another

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opportunity to improve on the -- on the -- on the work that we do and make our approach even better. So I appreciate that and I want to thank the meadows foundation and bj for working with us on this. So I wanted to hone in and ask my questions first about the clinician positions. So it seems to me that that's a critical aspect of the change here, and so I would ask you all -- I see that it's not included -- is that a budget issue or do you have concerns about including? It seems like what you said this was a good recommendation to move forward with. Did I hear that correctly?

>> Absolutely.

>> Kitchen: Okay. And so if we put that money in the budget is that

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something that you all would think was a positive thing to proceed with?

>> Yes. I'll defer to dawn on that question. But the plan was to use current emcot staffing that responds to calls to rotate them through as the clinician. But the best practice would be to add additional clinicians to emcot so you're not taking from existing resources.

>> Hi. Dawn Henley, chief operations officer in integral care. Thank you for the opportunity to speak. I believe I heard last year when we were before council that really the focus was upstream. How far upstream could we go to make sure that we were having the appropriate people available for individuals in the community who were experiencing a crisis. This I think meets that need. This is how individuals are accessing the first responder system. It goes through the call center and the call center does the triage to determine

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is it fire, is it ems, is it APD. So if we're able to add a component, is this a mental health call and work with training them on some risk stratification and ways to identify that individuals may not express at the time that they're calling, but for them to be able to suss that out if you will and hand it to the

clinician on the floor in my mind this is a fully integrated system. And when we look at health care in general we're looking at opportunities on how we can integrate care, right? Primary care, substance use and mental health services. This in my mind is just an extension of that delivery system. We're fully integrated the mental health clinicians on the floor of the call center where that crisis is being reported. So effective they could do a direct handoff to us then we have access to our records. We can see if they're already open for services. We can dispatch their current care team when that's appropriate and not even dispatch a first responder at all, which would be optimal. There will be instances

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where you have to do that just by the way that our law here in Texas is structured if somebody needs an involuntary admission, only law enforcement can provide that. So they have to go at some of those times. There might be other times when someone is on a call and EMS even has a call and they're thinking that there may be some mental health issue involved and if you're on the floor you can have that conversation right there in realtime and make a determination is that us, is that you, is that us together? So I think this is a valuable tool. Like Justin mentioned we've really been talking about how to make that happen, but if we want to do it well we need to resource it. We were looking at how based on these recommendations and this opportunity to kind of look at our system and through some of the data that Meadows was able to gather for us and analyze, it really kind of supports that effort on that further upstream practice. So we were just looking at ways we could do it with what we had, but that does take away from another resource. So if we're using

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the existing mobile team to fully staff this then you lose some of your capability and availability in the field to go on a call. And I think you also saw in the report that there were some identified gaps where we weren't available. That's because we're not staffed 24/7. We're not funded to be staffed that amount of time. So those are some gaps in the existing system. In any mind this would be additive to that foundation that we've already started.

>> Kitchen: Okay. Then my last question related to that. I'd just like to ask BJ if she wants to come up and just tell us anymore about sort of best practices related to the clinicians and other -- embedding the clinicians that might be? It sounds to me like everyone is talking about this being a valuable thing to include. I just want to understand if there's anything you would like to add about why this recommendation is so important.

>> Absolutely. When we look at call centers, the findings are very similar to what we find here in Austin. And it's that the dispatcher's receive the minimal amount of training

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required and that's funded or sponsored by cole and it doesn't really cover the kinds of things that a dispatcher would need to efficiently and effectively identify a mental health call and then manage it. Even if a call taker consider identify a mental health call, they will never be a clinician. So that management piece is always going to be how quickly they can get off of that call, get it dispatched and get it out to someone else. And that again is not specific to Austin. It really is just the function of the call center. But when you look at call centers that have clinicians infused, the first thing that's important to do is ensure that there's data sharing. That call center clinician needs to have access like dawn was saying to the data that is coming from the local health authority or from their provider authority so they can do some immediate clinical triage based on the client need and client service. But they also need to have the options to determine where that call needs to go. It's not -- the goal is not just to make sure that they're sending it out to a police officer with really good information, but it might need an alternative

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response. So there should be a well vetted, safety tested call tree to ensure that these clinicians have access and resources on where else to send that call. But most important I encourage you to look at the call center in your data center and look at the best times for a clinician to be there. I tell the communities we work in don't spend money you don't have to spend. Look at the day of the week, time of day and even seasonally and ensure that you staff appropriate for what the data is telling you and don't apply a resource to an area where you really don't need it and save those resources for other places. But in the recommendation section you can see where these clinical call centers are happening. It's saving Houston \$1.3 million in their first year. It has saved Dallas hundreds of man hours in the first six months of their operations. So they really are truly effective.

>> Kitchen: Okay, thank you. I have other questions, but I'll defer to someone else.

[9:35:27 AM]

>> Alter: Can I ask clarification on the papers in front of us. They don't match up and can you explain this paper?

>> I don't know what papers you have in front of you. You have that paper and what else?

>> Alter: Just the slides.

>> The paper that you have in front of you that is the narrative, that's -- usually my voice is loud enough I don't need a microphone. But the paper you have in front of you that is just the narrative, that is the recommendations pulled directly from our report. The powerpoint I believe is the city's current status of where they are with those recommendations.

>> Alter: Thank you.

>> Garza: Mcraven.

>> Flannigan: A couple of quick questions. Can you give me a little more detail on the funding split between the city and Travis county?

>> So I'll start that. I believe it's a 60/40 split. So of the total 1.8, 60% of that cost is covered by the city and 40% of that cost is covered by the county. And if you look at the data on use of referrals, the

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city utilizes our resource more than the county does.

>> One of the concerns that my constituents have is when they call 911 on the edge or in Williamson county sometimes they're not going to the same call center. And so I'm concerned about myself frankly living in Williamson county and the 45,000 folks that live with me out there. And the relationship with the Travis county health and justice committee. How are we ensuring that all of Austin's taxpayers are getting the same service?

>> So if you call 911 from that location and you're still in city of Austin yard jurisdiction, it's still our officers responding. We still have the same collaboration with emcot. If they don't respond to the scene and a report is written we can still refer it to ensure that the person is followed up with to some degree.

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Basile have to ask downtown to speak to how they interact with Williamson county and their counterparts.

>> That's an excellent question. Thank you for asking. We actually do have agreements with the other local mental health authorities where there's contiguous boundaries. So we're a strong partner with bluebonnet, which serves that area. And often times people live kind of right on the line so it depends where they go. So if they want to receive services in Austin we do pick them up even if they have a Williamson county address and vice versa.

>> Flannigan: That's good to know. The host team said it was moved under APD, is that right?

>> The host officers. We have two host officers who are part of that team. They've always been under APD, but they were under the downtown area command.

>> Flannigan: So just a shift internal.

>> Internally,.

>> Flannigan: It's not like a bigger change --

>> No, sir. They're naturally aligned with the crisis intervention team now.

>> Thank you.

>> And councilmember, if I may add, administratively

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ems provides the administrative oversight and management, if you will, of the host team as a unit. And again, it's APD, ems, community court in terms of services and integral care for the case management.

>> Flannigan: Yeah. One of my ongoing concerns and work that we'll do even past this budget is ensuring that we're maximizing insurance reimbursements so things that ems can get reimbursed for insurance, but ems and fire can't and making sure that we're maximizing that type of opportunity. >>

>> Garza: Councilmember alter, did you have a question?

>> Alter: I did. Thank you. I wanted to better understand if there's an additional ask for resources for making the call center respond to police, fire, ems and mental health? As I understand it, that was one of the recommendations, but I'm not seeing what the budget implications would be of that or a discussion of that in here. I missed it.

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>> Can I start and hand off to dawn? The reason for asking do you need police, fire, ems or mental health was inspired by dawn Henley. We took a statewide blanket look to it to determine is that something that's feasible? And I expo spoke with about 40 police chiefs across the state and a couple of sheriffs and asked them what do you think about this? And the overwhelming feedback I got is we're already doing it. Your police department is already responding to those mental health calls. They're just not asking that question when somebody answers the phone. So it's not actually adding on an additional duty. It again is just moving that triage to the earliest point possible. I mean, can you imagine being in a place where your loved one is in a vulnerable place and you're scared and your loved one is scared and you call 911 and suddenly they're asking you do you need mental health? What an overwhelming affirmation that could be to someone who needs mental health? And like I said, it was inspired by dawn.

>> Joint effort. Thank you, bj.

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But if I'm understanding your question correctly is why did the -- why are you not seeing this recommends's funding moving -- recommendation's funding moving forward in the budget. And I think we have to defer to ray to answer that question like how it moves forward. As a service provider we fully support it. APD and ems are fully in support, but I think there was -- there's a finite amount of funds to use for this service delivery and that's a recommendation to bring that to fruition that's beyond our scope of influence.

>> And so a final one to that, essentially the protocol that you described would be included under this particular item, the integrated clinician in the call center. So they would develop and in fact to some degree when they get to that point and have the equipment set up and so forth, they will begin to figure out what that call tree, question tree looks like, which could include the addition of a mental health service in that call tree. The reason why it's not

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included is because there was a desire certainly from our owe in proposing it to the city manager's budget that we try to figure out what we actually need, what are the lessons learned, what can we leverage by current assets and the partnerships that we have prior to coming forward with a budget ask. Clearly as was described by Ms. Henley, in order to keep the resources that we currently have doing active in-person call support for APD officers or ems for that matter, the recommendation would then be the two positions and the 300 K that you see here.

>> Alter: So in order to get to the point where we can innovate and do that, we first need to have these two mental health positions and they would be working out the protocols because if you ask that question and you get the answer mental health and you have nowhere to send them, it doesn't do any good? Is that -- I'm just saying that it seems like there's a sequence here and that it is

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the city manager's office intention to be proceeding towards developing that or -- I'm trying to understand if we need to give direction or if it's -- if it's already the path that you have chosen to move forward with.

>> And I can defer to the experts that are actually doing this. It is our intent to actually construct the protocols, see what's required, the script if it needs to be changed, what needs to be changed by the script in order to get to that point where you can do a dispatch, which can be done with the existing resources. Once we get there we can again do it with existing resources. However, the implication is the two clinicians that might actually be able to respond with calls -- on calls with officers are maybe in the call center in order to do the work. So again, it was an intent to try to put things in place, process these and so forth, the equipment that's necessary, and to -- and then to see how many

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resources in some future budget that we might be able to then bring on once we have that experience. Clearly, again, we understand here that it would be 300,000 in order to add the clinicians at some later point wherever that might be in order to have the full capability or maintain the full capability of emcot out in the field.

>> Alter: Thank you. Last night at the budget hearing we heard from someone from the call center raising some questions about some staffing issues. This is probably not the appropriate place to get full detail. I just want to flag that I would like to understand better that choice of perhaps letting go of experienced, trained folks who are at 30 hours in favor ever vacant positions and understand what's actually in the budget in that regard. So if we can follow up on that I would appreciate it. There's also been discussion that we've heard about additional paramedics, how does that fit into this

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discussion and what is staff's recommendation with regards to that?

>> Could you be more specific? Recommendations that were discussed at last night's budget hearing.

>> Alter: I don't have all the details at this point. I think it was on the order of eight to ten additional community health paramedics.

>> And so I can ask the chief to perhaps come and talk about this community health program that we have. Certainly they can contribute in the ways that they are currently operating, providing medical services short of pre-hospital, taking individuals to the emergency room. They can certainly be a participant in the host team operations. In terms of them -- if I'm understanding where you are headed on this, in terms of them being the clinician that accompanies an APD

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officer to the scene providing that mental health capability, we would recommend that it's integral health that has clinicians trained in this regard that might be the appropriate resources to send rather than a paramedic.

>> Alter: Thank you. I'm just trying to understand, I think we need to invest more in mental health and we have to make some choices and so I'm trying to understand the different choices with the limited information that we have. And I guess six additional that they were asking for, but please go ahead.

>> Assistant chief with ems. So yeah, we've heard and we understand that there are requests for community health paramedics. As it relates, and I'm going to just speak primarily to the mental health

discussion, the current team, we can't -- there can be times when they can -- we can support APD and integral care in whatever need that they may

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have. Now, additional resources, if they were to become 24/7, right now they work primarily during the day on weekends and weekdays. They are a -- kind of a multi mission that can focus on specific needs, especially mental health. We work closely with integral care and APD's Cid team. It's just a matter of how you want to scale or how this would be scaled up in terms of the exact number of staff. Those chips could also be utilized for homeless outreach or emergent or nonemergent needs and serve as response where there's a that's necessary.

>> Alter: And what is the estimated budget implication for each chip?

>> Each chip, initially I would have to look at the

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exact numbers. You are probably looking -- I'm not exactly sure, around \$250,000 range to fully equip both personnel and equipment. Now, ongoing costs would be personnel and supplies and consumables in that context.

>> And we can get that information afterwards.

>> Alter: Okay. Thank you.

>> Garza: Councilmember Casar.

>> Casar: So I have three questions and I'll probably need to bring up here but also don't want to lose any of you all. I want to drill in on the 911 call taking questions to just follow up on these four questions that were asked that I want to drill down in some of the community health paramedic stuff, and third ask about the distinction between first and second

[inaudible] Response to mental health stuff. So first on the 911 call takers issue, it would be really helpful for me to understand on your slides it

[9:48:44 AM]

has here that -- maybe Ms. Wagner, you can help me with this -- that what we currently are doing should -- without any budget impact should be able to train everybody up. Is that right? Is the current implication we don't have to allocate more resources in this budget in order to achieve the meadows

recommended level of training for 911 call takers, or is -- that's the training side. And I recognize there's also staffing on the clinicians in the 911 call taking, but in training are we -- are we covered with what we're planning on currently doing without making any budget changes?

>> You'll see in my recommendations that there is a budget impact to the training because we recommended the development of an enhanced training beyond what tcol is providing. For instance, Chicago police department partnered with their local name and other mental health providers to develop a comprehensive crisis training specific to a 911 call center that better equipped their call

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takers to be able to manage, identify and triage these calls. And it's phenomenal. But they had to spend some staff hours doing that. There's budget considerations in my recommendations for perhaps consulting contract with integral care, your provider of choice, to help develop that training, but then also I think you have to consider overtime if you wanted to ensure everybody was trained in the 12 months. There's going to be some overtime expenses pore folks filling the gaps while your call takers are in training.

>> Casar: Totally understand and respect staff putting together the training they can based on the budget that we have, but do we have consensus among staff and meadows about how much it would cost to get people trained to the levels that meadows actually recommended within a year?

>> We don't have calculations for that, but, you know, Ms. Wagner speaks of Chicago contracting with name. We already have relationships with integral care and name there would be

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no cost. They do 80% of training for officers already. We won't have to pay to get anybody to help develop that training. There absolutely will be overtime costs associated. It's kind of hard to figure that, you know, of when you'll have to move people off the consoles and schedule classes and backfill their positions. But as far as just spending money to develop the training, we can do that at no cost. It's just implementing it and having people pulled off the console will cost money at some point.

>> Casar: And we'll have to make a call on dollars shortly. What would be useful if you all could huddle and the manager could tell us if there's any disagreement, this is what it is. If there's a cost, whether the manager recommends we include it in the knowledge about it or not, this is what it is so we can make a judgment call one way or the other. It sounds like you are really close, but if one of you all thinks it will cost us and one thinks not, it would be great to understand

[9:51:45 AM]

what that difference is so we can either put the money in to be safe or we could say, hey, actually we have the relationships that it won't cost us, which is great. We're always happy to hear that but I don't want to go that way because it's easier. But if -- so if you all can work that out for us, that would be helpful. And then on the -- so the other recommendation it seemed to me was about clinicians being a 911 and what you are saying, assistant city manager, is that it might take us some time before we bring those folks on. Is that right?

>> That's right. Time in terms of being able to put the protocols and equipment in place. And then at some point, you know, for integral care to bring on additional clinicians that aren't currently hired and so forth. To just based on that and trying to properly scale and be thoughtful about the expenditure that we might bring forward, that was the approach that we recommend

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coming forward.

>> Casar: And in the meadows recommendations, is that recommended to be done at the same sort of -- at the same time as this training is happening or is it afterwards? Would it be within this fiscal year that we bring those clinicians on? And would it be possible if there were the funding to bring those clinicians on or does it make sense for it to be in a separate fiscal year?

>> Actually you guys would be the only city who trained in collaboration with the clinical triage being in dispatch. Houston, Dallas and Abilene all integrated the clinical dispatch piece and then later trained call takers. It's a lesson learned that training is important. But the training isn't critical to the function being there. You could certainly have eye clinicians in dispatch while developing the training and they may become an important part of informing what that training should include.

>> Casar: And so your recommendation might be we bring those clinicians on sooner rather than later?

[9:53:46 AM]

>> I think it's one of the most critical things the city could do.

>> Casar: There's 11 of us here and we vote, but in your view one of the most critical things we could do is have the funding to bring the clinicians on as soon as possible.

>> Absolutely.

>> Casar: And the city manager's estimate is about \$300,000.

>> Yes.

>> Casar: And that's currently not in the budget but could be something we could work on if it makes sense.

>> Yes.

>> Casar: My second question was on the community health paramedics side. Is it a meadows recommendation or a community idea for the -- you are welcome to chip in, push the microphone away.

[Laughter] Is it a meadows recommendation or if it was a community recommendation to have the chips do follow-up on mental health calls. Is there a reason or a distinction for it to be

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emcot versus chips or whoever else, a desire to see chps proactively addressing issues in the community as they already are, but the potential for them to be doing some of the follow-up which I think was in meadows.

>> You are right and I'll keep this brief so Andy can take it from there, but our recommendation was to have that para medicine presence because it's vastly different than the E emcot clinician. What we have seen in this population is that the co-morbidity is very high with chronic disease rates and people who have significant behavioral health care needs. And if you are just solving one problem, if you are just addressing the mental health need and getting them to a doctor and giving them mental health medicine but you are not addressing that chronic disease process that's co-morbid, you are not reducing crisis cycle. Every successful program

[9:55:48 AM]

that shows reduction in crisis includes a medical component.

>> Casar: And that would be in followups to the mental health calls themselves.

>> When we looked at the data, ems and APD and e-emcot are going to the same places just to address the needs in a silo. It's an expensive model but also really inefficient.

>> Casar: And the meadows recommendation is for chips to do the follow-up work. I think in the presentation that we just got there was not additional funding for chips to be able to do that. Could we - - is there a -- what is the sort of alternative that we're presenting here for the followups?

>> The alternative is -- most of those reports come through us, and with our current relationship with emcot, we're referring followups to mental health clinicians to do. We're basically taking the police out of the follow-up

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business. Not including ems, but giving it to integral care, you know, to take minute needs to the mentally ill person.

>> Casar: And I incredibly appreciate what integral care does and works really hard on keeping the emcot funding going after the loss of the waiver dollars. I would love to hear from you, dawn and follow-up for Ms. Wagner what your thoughts are on what is proposed here about having emcot does it as opposed to paramedics. What are the pros and cons and how do we decide what the best form of follow-up since your recommendation is unwith thing and we have potentially another alternative on the table.

>> Right. Thank you for your question. Actually we are doing that currently. And I think it's not highlighted in this report per se because it was really focusing on APD's response to mental health. But we do currently co-respond with our ems partners or they will be out on the scene and realize

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once they medically clear that individual and there's mental health issues, we are dispatched through 911 which releases ems. We do do some follow-up with them, especially if we're out in the field doing one of the followups that come through our cit referral process and we realize that there are medical complications because, you know, many times there are, like bj was speaking. We do offer that integrated care so our clinicians are trained to do part of their assessment and screening is also looking at those health indicators as well. And when indicated, we reach out to host teams that are already out or it's a direct connection to the paramedics under Andy and I'll let you expand on that.

>> Sure. So the community health paramedic team obviously work closely with integral care and it is not unusual if they are out on an individual follow-up or otherwise that they have a direct link to us.

[9:58:52 AM]

They know how to get ahold of us. And so really it's -- whenever there's a medical need that either urgent -- if it's emergent, they call 911 and get an emergency response. However, for those nonemergent situations, it's not unusual for them to give us a call and request us either to the scene or they will staff the situation with U and we'll be able to send a paramedic out from the chp team as a follow-up, either co-respond with them or we'll follow up afterwards. Especially for those situations where there's no indication for, you know, violence or anything like that.

>> Casar: So Ms. Wagner, what is in your view the difference between the recommendations that you've made and what we're presenting here?

>> It really boils down to formalizing that effort so that you are not spending the same dollar on the same person in three different places three different times. I think integral care, ems

[9:59:53 AM]

and APD should be commended for collaborative efforts. I said many times in our work group meetings that this kind of informal collaboration where people want to truly work together is rarely seen. And it's highly valued. The problem comes with they do it based on their relationships rather than based on a formal understanding, which in turn could lead to overexpense of your precious resources. So if that response was formalized with specific understanding and collaboration and consistency across the clientele base, then perhaps you reduce the wasteful overuse or the sad underuse of these precious resources. So they are doing it very well in pockets and it's wonderful to see and should be an example for others, but if it were formalized, it would be more efficient and probably more effective.

>> Casar: My question is if we are then dispatching ems or integral care to more calls because at the 911

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call center we are better capturing what our mental health calls that aren't dangerous, I assume we then have more followups. And if we're going to have more followups but currently we're going to have more folks to do those followups, are we going to create a pipeline where we don't have an end point of the followups? My question is do we -- if this all works, are we going to need for chips and integral care folks to do that follow-up works that's oftentimes being done by five agencies.

>> If you solidified them with what these three guys are doing now, it reduces that inefficiency and ems, APD and e-emcot are linking them back to e-emcot. You can't hire your way out of this. But you can certainly put a

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solid number of clinicians in a telehealth center and they can be anywhere in the city at any time and do followups in people's homes, do followups in the neighborhood, do followups when a community paramedic is on scene and realizes this is a mental health client and be available instantly. You save that precious resource for high acuity cases. If you formalize your health, it will increase your efficiency and if you strongly consider the adoption of telehealth, it's going to expand your reach tremendously.

>> Casar: I think the last point has been I've heard how stretched thin our chips really currently on, they are coming for like a day or two, a week north of the river, and so -- you know, then they have to run back downtown or go here or there and -- but it sounds like on the proactive work we might consider

expanding some of that work and then maybe we need to better drill down how those folks don't get stretched too thin

[10:02:56 AM]

if you are also helping with the followups, but that's useful to know. My third question was around first versus second responder, which I don't understand so maybe you can help us understand. Part of the question has been how do we get clinicians, people with mental health expertise in that first response slot, that's what we heard a lot of the testimony and questions about last night. Help me understand whether this proposal gets us there or if it's a step on the way there or how does this -- how does this pair up on whether or not where mental health is the second responders versus the first.

>> That's the whole impetus, when appropriate, when there's no report of violence or the threat of violence to have a clinician respond instead of a police officer. So that, you know, in those certain cases with that clinician there on the floor making that determination, then we could absolutely

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have the clinicians be the first response in those cases and -- in those cases and limit the first response of police officers to when there is information in the call about the behavior of a person that's dangerous.

>> Casar: Okay. That's helpful. So it sounds to me like thank you guys for entertaining this set of questions. It sounds like we need a bit of a huddle around whether the training that's being proposed can be done without cost or if there is some better safe than sorry dollars we just need to have to make sure if it works. If we're going to do it, let's get it done right. Second, Ms. Wagner, you mentioned the most impactful thing you believe we can do is actually have the clinicians there at 911 and so we can sort of hash that out and decide whether or not we want to do that first or not. Third, there was this question that every major reduction you've seen in expenditure of resources is when we do adequate and good

[10:04:57 AM]

follow-up so let's make sure we have that ironed out and formalized about how we do that. Thank you guys for laying this out on and letting me run through that, but sounds like there's still some small differences between what's in the recommendation and the budget and we with should be deliberate about those choices whichever way it is we go.

>> Mayor?

>> Go first.

>> Renteria: Thank you for that report. You know, I know that this service is badly needed in our community. What I want to know is what would include the expansion of the telehealth? Would that require more -- it seemed like -- are we funding this already at 1.8 million in the budget?

>> Yes, sir. I'd like to start the conversation on that. That was a recommendation from meadows, but just to wrap up a little discussion prior, we have protocols in

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place that map how we respond, but we can tighten up those processes. I believe APD has policy on how they dispatch emcot and we do as well so that we are not -- so we're more organized in our approach. But I think with this work that can help structure that further. We're currently piloting the telehealth recommendation using existing staff. We're using two of our mental health clinicians with seven of the APD officers use you go two iPads that we purchased. So this was just to kind of be prepared, provided there was funding available. If we wanted to expand that process, but really just trying to get the data right. So during the pilot process is it doing the job that we want it to do, is it increasing access to a mental health clinician in a timely way on the scene, is it decreasing officer time on the scene and their wait time for us especially if we're going across the city in high traffic times where

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it takes twice as long to get there, and on average we're seeing that it's utilizing the officers' time, the calls are lasting about 22 minutes, which is in stark contrast to what may be a 40-minute wait if they are waiting for us to drive out to where they are in the city. So that in and of itself, even at this very beginning stage is saving time for the officers. It is a voluntary process so the clients or consumers have to volunteer to this intervention, for this intervention and give consent to do so. We're using a video conference platform that we use throughout our own internal outpatient services which is hipaa compline and high trust certified so it's nice and secure. We are using existing emcot staff to run that pilot right now to gather data. If we want to scale it, then we can come forward with a recommendation on what that would look like if you want to take it to scale.

>> Renteria: I would like

[10:07:58 AM]

to see that recommendation.

>> Okay.

>> Renteria: Thank you.

>> Kitchen: Yes, thank you, councilmember Renteria. I would like to see that recommendation also. So a couple of questions just to follow up. Can you give us that recommendation like in the -- I would like to consider it as part of this budget process. So I would like to have an understanding of the -- this says about a million estimated for additional need to fund it. So is that for -- is that for additional software or is it for staffing or both?

>> I believe they answer that question as both. Primarily the bulk of the cost is actually in personnel as I guess you would expect. I think there's a little bit of room. We may be able to launch this service at not quite a

[10:08:59 AM]

million dollars. Because we have some existing software so we wouldn't be having to purchase that. We could use what we're currently using and just expand those licenses, for instance. We would have to purchase some equipment, iPads are not as expensive, so some of that cost would be lower.

>> Kitchen: The existing software, I would want to understand that -- I would want to understand what it would cost to have the best practice as opposed to piecing together software. I'm not saying you are piecing together software, but software that's not -- that's not -- that may not be geared toward this particular function may not have the connection to all the data that's needed. You may be having to -- you may be having to do some work-arounds to get the connection to the data that you need. So what I want to understand in terms of the

[10:09:59 AM]

recommendations is what you need to put this best practice in place. Because telehealth can really be a dollar saver. So an initial investment in the right infrastructure, in the right software is worth it rather than -- and I'm not suggesting you are piecing things together. It's just that using -- using a tool that's hipaa compliant that you can use for conferencing may not be the same as using a piece of software that is designed specifically to make that connection, particularly when you are wanting to do follow-up. And particularly when you are wanting to integrate with ems and other services. So I would like to see a recommendation that -- that really thinks in terms of what is it that you need.

>> Right.

>> Kitchen: Not what is it that you can get by with. Not that you are saying that, but I wanted to give you that parameter. I would also like to ask bj

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if you would like to comment on what you think is needed as the best practice. And is there something there that may be in addition to the -- what the pilot is doing right now?

>> Absolutely. And I want to start by saying first it's critical when you are considering the addition of telehealth in a crisis space that you consider going beyond APD to ems as well. Our recommendation is very specific for that including areas of the city which indicate they have the greatest need for immediate connections, and you will find that in some of the graphic mapping. We are very specific the technology should be -- and we recommend connecting to integral care because they are the public provider, the best provider of behavioral health in town, but should be connected between APD and ems. And there's another large city who recently piloted telehealth and for the first year they used a specific mobile telehealth platform that provided for data collection, but also it allowed the clients who were served to download that app on their phones at home.

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And to connect to their provider of choice at home through appointments, through telehealth once they had been served through this system if needed which addressed barriers in this unique area of the state for transportation. For budget reasons, they left the software company and when they did they left all of their ability to mine and collect data behind and disconnected an array of clients from service. So if you have the ability to invest in quality software that includes data management, client connections, follow-up ability and integrating into electronic health record at integral care as well as ems and letting the teams share that data across functionally from a paramedic to a police officer to a clinician, I would encourage you to consider that extra expenditure. There are several companies who do that. I'm not a commercial for any of them, but I'm happy to pass along a generic list of names you could reach out to and see the difference but there is quite a difference when the data piece is in graded as well as allowing a

[10:13:03 AM]

shared record amongst providers. That continuity of care is key in this population.

>> Kitchen: Yes, and I think from councilmember Renteria, I think you mentioned this and others may have mentioned it too, the -- there's a huge potential for greater efficiency which translates into saving cost. So I think your report may have this, but if not, if you have examples of how investing in this kind of infrastructure can save dollars and where that's happened in other places, that would be helpful.

>> Sure.

>> Mayor Adler: Appreciate those contracts. May I just say that as we look at budget priorities of things that are not in the budget, this would be my first priority because I think it's real important for the city to do so many levels. I agree with councilmember kitchen, making sure what we do we do as best we can and really take a look at the long term, make sure we're doing best. And I will try to get up to

[10:14:03 AM]

speed as fast as I can on the different choices and the different proposals. We also have a precedent that we've done in past years where we say this is a priority and we put dollars aside for it and then give you and the staff the ability to really take a look at what would be the best thing for us to do. And that might be appropriate here for us to put the money aside, but not over the next three weeks parse between us and what is the specific plan. So I think that's an offer we need to keep open but this is a real priority for me as with others.

>> Casar: I wouldn't be opposed to figuring out all of these answers, some of the answers after the budget, but what I don't want us to do is provide way more dollars or way fewer dollars than the range of what we generally need. So the only -- the last question that came to mind during this last set of questions was is it currently the proposal how it is in the budget that the first -- the mental health first response would be via

[10:15:05 AM]

telehealth or there could be a clinician at the mental health first response. When it is one of these elevated situations.

>> So it's actually both. We're starting with the telehealth piece because it was the easiest piece to start. But clearly we're on the path to get a clinician and have that protocol and pilot started as soon as we can get the equipment.

>> Casar: It's actually both meaning that the clinician would come online with no budget changes this fiscal year or that would be for future fiscal year?

>> I think the answer to that question is scalability. Right now we were just running the test. We reached out to Houston who has lifted a telehealth project and been through many vendors, so I appreciate your comments, councilmember kitchen, you're spot on making sure we're utilizing the most appropriate tool. We modeled this pilot after what Houston did and are using a similar tool they are using as well. Just to keep in mind, we have also are in the transition of a new electronic health record that can do many of these things, having the patient

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have access to the data, share data with first responders that we didn't have before. I think those are all possibilities and what we don'ted to do is build a system to have dual entry because that makes it more complicated and takes longer and you have less time in the field. Currently we've used existing e-emcot staff to test that pilot based on Houston's best model. If we're wanting to do the recommendations that meadows is asking that we do, there would be some additional staff to do those services in order to scale it in those particular time frames where there was a high level of call volume for mental health calls.

>> Casar: Understood. But I'm just trying to figure out is if this is a priority, if we were to change something in the budget, how much more scaling could we do this year? Because when I hear yes, we're doing both, piloting both, I want to understand if there is more we could do, I don't want to skip over a pilot and scale

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something that's not ready to be scaled, but if there are things ready to go to a bigger scale, what does that look like and what does that take. So I just want to understand how much more we can do faster than is a good idea.

>> From a clinical perspective, I think meadows recommendations are spot on and that's a good look to start to see what impact we could make in Austin.

>> Casar: What's the difference between their recommendation and what we have before us?

>> It would be essentially to take what's unfunded and fund those items.

>> Casar: And how much is that?

>> We can come back because there are some savings, as dawn mentioned in terms of the software depending on what they do, in terms of getting the best practice approach to that. But we can certainly come back to that with that information.

>> Casar: Is that a software issue or the clinicians so it's not just telehealth when there's --

>> It would be a combination of all the things we've been discussing today.

>> Your highest cost is in personnel.

>> Casar: Ms. Wagner, do

[10:18:08 AM]

you have off the top of your head more or less how much it is to get it so when there's an emergent call, there's the opportunity for a person, when it's important in the screen, when that's appropriate?

>> For the two clinicians and dispatch, you are looking about 300,000, including fringe and equipment. To fully staff the health capability, you would want to add two, maybe three clinicians to that. I would have to look to see what we recommended.

>> I think it's three.

>> They also have to have an increase in prescription oversight and dawn said they could probably bring that in-house. At minimum if you added the clinician and dispatch at \$300,000 and the additional three for the emcot telehealth capability, that's \$1.2 million. And if they are going to use existing software platform, then you don't have any additional expenses there. So you want to make sure that you have enough band

[10:19:09 AM]

width for those clinicians at 1.2 million. And then ensure that you can outfit and equip them by adding 100,000 to that. I would recommend at least providing integral care with enough funding, I think my original estimate was 150,000, to ensure there's adequate clinical oversight of that additional clinical staff. So 1.5 million would probably get you the full program, including telehealth, clinical, integration and dispatch and the expansion of e-emcot to ensure they were able to meet those needs.

>> Kitchen: But not the infrastructure, right? Not the best software potentially. That would be additional.

>> True. If you wanted to buy a software platform, I reached out to every company doing it to ensure I wasn't a commercial. We are a nonpart son nonprofit. And every estimate was between 200,000 and \$250,000 to do the software platform with an annual fee of around \$50,000 a year for the subscription for the three

[10:20:10 AM]

companies. Your original investment would be pretty pricy, but the annual subscription fee would be pretty low. If integral care can include data integration and shared health record, that's savings you could really put into staff.

>> Casar: And so if we did all of that, that would fund your actual recommendations and then we would actually have mental health clinicians as the first responders, but with police there to secure the area if necessary.

>> No, there could be a clinician in dispatch triaging calls. But there's nothing in the plan that has clinicians responding as a first response.

>> Except through telehealth.

>> Except through telehealth.

>> I want to add to that. If we're in dispatch and taking the call and the risk has been assessed by the handoff from the 911 call taker to the clinician on the floor that the risk is low and the mental health need is high and we can

[10:21:11 AM]

dispatch, pull up in our own electronic health record to know do we know this person, we would have that data. We can dispatch through our own crisis services and the system we already have, either their care team or the mobile crisis outreach team directly so that would put a clinician first on the response.

>> Casar: So you are saying there would be a clinician in first response in the lower calls, but in calls where there's some potential danger, we currently do not have a plan outside of telehealth for there to be mental health clinicians as a response.

>> Correct.

>> Casar: Is that consensus as the recommendation that's the meadows recommendation?

>> Agreed.

>> Any time there's a public safety risk, you don't want to put civilians in the face of that. It creates an issue for the civilians' safety but also creates the potential for harm to the client that they are trying to serve whether it be through a criminal charge that could have been avoided or any other situation.

>> Casar: And so it's not

[10:22:12 AM]

recommended as a first response or what about as a co-response where you actually have police and clinician there at the same time? Or is the recommendation not to do that either?

>> The closest to the recommendation for that in the Austin report is integrating cit into the host functions or integrating cit with the community paramedic follow-up. When he with looked at the -- quite frankly I'm a fan of the project I created in Dallas. It just won a national award for the association of city managers. I'm proud of what that's doing. But it's very specific to the area it serves in Dallas. It's been replicated in other areas across the state and in other states, Tulsa, Colorado, Washington, but again it's very specific to those areas. I don't believe that that multi-disciplinary response team would be as affected in Austin just because Austin is a very specific community. So when we looked at what works, what is the community want, when we did all the round table discussions and even looked at the types of behavioral health calls and

[10:23:13 AM]

the crises that's facing Austin with the demographics that are specific to your city, the recommendations that we came up with, as much as I tried to push them towards my favorite model didn't make it there. Telehealth and infusing community health paramedics into the cit team seemed like the best option for Austin.

>> Casar: And this will get us the response during the highest volume of calls.

>> Yes, you can be there immediately on scene. For instance, project Ethan in Houston, the Houston fire department has diverted over \$2 million for chronic use because they can immediately be on scene with an iPad and have that patient triaged for whatever co-morbid need they may be having and the patient never has to leave their home to receive that service. The same thing through Harris county sheriffs cert or anywhere in the state.

[10:24:14 AM]

That telehealth expansion is going to get clients and citizens in Austin the immediate contact with the health care provider that they need.

>> Mayor Adler: Okay. We want to get to homelessness in a little bit too. Natasha.

>> Yes, I had a couple quick questions. They are not necessarily related to the budget. I'm curious about the length of time for training for dispatchers. And you said something about console time earlier. How long are they displaced from what their position would be? And subsequent to the length of time for the training, I'd like to know how do the call takers demonstrate proficiency once they complete the training?

>> I would have to get you more information back on how they demonstrate proficiency, but the class may take 20 hours as mandated.

>> Mayor Adler: Alison? Did you have more?

>> Alter: Yes.

[10:25:14 AM]

>> Mayor Adler: Alison.

>> Alter: Thank you. I was just curious if we were to proceed with this funding, how long would it take to be up and running? Because the numbers you are giving us are for a full year and you wouldn't need to

fund a full year at this point in time if it takes three months, four months to get the folks hired and then also for the telehealth, it sounds like there would still be value in finishing out the pilot for a little longer before you made some decisions. And so the cost of the software would be the same, about out the clinicians time that would need to be factored in this budget would be less. How should we be thinking about timing and locations for the budget?

>> We can come back to you with that information. Clearly protocols have to be put in plays with what we have for existing resources and either nine months or six months of funding, again, we'll have to come back with specifics in terms

[10:26:14 AM]

of the estimate that the team is working to.

>> Alter: Then I just wanted to make sure I was understanding the part about the community health paramedics in Ms. Wagner's recommendation. So you are recommending that they they do the part where they collaborate, but that doesn't necessarily mean that we need additional paramedics to enhance that collaboration. Is that what I'm hearing properly?

>> It's not popular and I'm frequently not popular with some of our recommendations, bit our capacity study even including the follow-up function being added to chp didn't indicate a need for additional medics in that particular funionality at was there another function related to this response where additional chips were needed?

>> Not in our study.

>> Alter: Okay. Thank you.

>> Mayor Adler: Ann?

>> Kitchen: Just one quick follow-up on the time frame. I'm not sure I understood what needs to happen first.

[10:27:15 AM]

Why did you say six or nine months?

>> In terms of -- that would be in terms of funding additional -- when we could start funding once we identify what's required. I'm deferring -- I initially said we'll come back with that information. Estimating what the need might be. But we'll have to come back with specific information based on the actual work they are doing in the pilot.

>> Kitchen: Okay, but I'm not certain -- I want to understand from people do you all feel like the pilot needs to be finished? To my mind, I really don't want to slow down. I mean we obviously are seeing

results. We need some changes. So I think it's -- if there's something that you all feel that needs to happen first, then I want to understand that. But I also want to let you all know that -- that I think that -- I'm interested in getting beyond just studying and testing, particularly since I thought what I was hearing was that we already understand that

[10:28:15 AM]

particularly the clinicians as part of the triage, those two ftes and the other things we talked about, we understand are important and expect to be useful. So perhaps what we're talking about is lead time to hire or train, but -- but that's what I would want to understand. I'm not interested in more time to study if, I'm hearing correctly that we're already saying we think this would be advantageous.

>> I think that was the point of doing the pilot so we could be ready, provided that was your recommendation that we could launch into that. So really it would be the time around the hiring. We've worked out a large number of the policy and procedure for APD, so just adding ems would not take that much more time to do.

>> Kitchen: Okay. Thank you.

>> Garza: I just wanted to add I'm also very interested in this kind of systematic change to our response.

[10:29:16 AM]

And so as we're -- and I agree that if we're going to implement it, we need to do it right and not just do a little pieces. And so as we're talking about how we're allocating resources, there was significant discussion last night from the public about Vick vacancies in APD. So either now if there's time to address that or if it could be a budget question to explain the -- what appears to be a high amount of vacancies and whether those could be filled in this next budget year and how the additional officers play into that.

>> And if you want those answers right now, I'll defer to chief Manley because he has those answers for you.

>> Garza: Sure. If that's okay.

[10:30:20 AM]

>> Good morning. Specific to your question on staffing, as of this morning we have 102 vacancies in the department. We have a cadet class running with 61 cadets in it as of right now. We do have a projection that has been put forward by our training and recruiting division. We've added investigators so we can

streamline one with of the lengthier parts of the hiring process, the background and investigations and vetting of applicants prior to getting into the cadet class. The shortest answer, the 30 positions we're talking about in the budget this year, six of those I'll remind you are detective positions doing investigations to keep up with caseload. Four of them are actually supervisors to handle span of control issues. There's really 20 officer level positions that we're talking about in the budget. And the way we look at the police staffing, part of it

[10:31:21 AM]

is we have to plan ahead. When our recruiting and hiring cycle runs on average nine months, they have to be in our budget so we know what we're recruiting for for future classes. So the plan that we have right now based on any plan you have has assumptions built into it. And what we build in is the assumptions of average attrition rates, the assumptions of average start rates for class sizes that will get us to the staffing level that we need to be at based on authorized strength. So the vacancy rate in our department on average goes up between five and six per month due to retirements, terminations or resignations. When you balance all of that out, what we look at is the need for the positions in our budget this year so that we can hire them, start that hiring process through this budget year to hire next year because that's how it works. In addition to that also is

[10:32:22 AM]

although we don't have the -- the person filling the position, in other words, we don't have the officer filling that position, the need for that position exists, so oftentimes we are backfilling that position with an officer on overtime so the funding is necessary as well. And then the last piece I'll add is the budget always anticipates that we will have positions that are vacant throughout the year and that's why there is also a credit included in the police department's budget that goes against the -- the salaries that we are given. And last year I believe that credit amount was roughly \$11 million. So it's already anticipated in our budget that we will have periods of time where positions are unfilled.

>> Garza: So I understand -- I understand how you calculate why you need to calculate the need and how you do it based on attrition, but if you -- if

[10:33:22 AM]

those -- I guess it's hard -- like if the academy hasn't started yet, you said how many, 61? And that's not -
- you still have the 102 vacancies, so those aren't counted in the 102, right?

>> Correct.

>> Garza: Okay. So how long is the academy?

>> Our academy is eight months long.

>> Garza: Okay. And so when will the next one start?

>> I can get you the schedule. Very early next year will be the next full class and I believe we have a modified class that's going to start later this year. Modified class being bringing in the men and women that are serving as police officers and other qualifying police departments that we can train in a four-month period instead of eight.

>> Garza: So is it possible the class will be 102 people?

>> Is it possible, yes. Is it likely, no. We've had classes in the 90s before, and what we

[10:34:23 AM]

end up with is in those situations we split them in half and run a red class, blue class because we don't want the student to teacher ratio to fall out of best practice. We're looking at starting cadet classes basically every 16 weeks now so that they will overlap so we can catch up. We were also taking steps to address attrition rates in the academy. We have added additional tutoring for our cadets. One of the things I'm looking very much forward so is we just included a position out of the training academy for a training specialist. This will be a civilian who will have a background in the area of academia who will hopefully ensure that again as WRE teaching and training our cassettes that we're doing it in -- cadets we're doing in a way that best meets the needs and give them the materials, train them, but also that we are teaching that adult

[10:35:24 AM]

environment and in a way that we think will allow us to maintain and keep as many of the cadets. And we've included an entire resiliency component at the beginning of the academy now just to kind of set them up for what to expect.

>> Garza: Okay. And so if the next class doesn't start until early January and it will take eight months, that would take us into the next fiscal year. We wouldn't have even filled the 102 vacancies by the end of this fiscal year. Is that right?

>> We've got a spread sheet that we put together and if it's of interest to council, we can give that to you with these projections. Any projections built the assumptions how many start the class and what attrition rate do we see through that class, but we do have projections we put together in anticipation of meeting our staffing goals.

>> Garza: Okay. That information would be helpful so thank you.

>> Renteria: Mayor, are we

[10:36:24 AM]

going to have a presentation by the police department?

>> Councilmember, we're happy to put something forward.

>> Renteria: In the budget process are we going to have a discussion?

>> Say one more time.

>> Renteria: During the budget discussions that we're going to be having, is there one on public safety?

>> We -- we're happy to take the feedback today and try to craft something for the next budget work session.

>> Renteria: Sounds like there's going to be a lot of questions. If we're going to follow this agenda that we're working on, you know, we like to know whether -- I haven't done any kind of research at all on the police yet so I thought maybe we were going to have discussions later on. I would love to have that report, the discussion on the budget if possible.

>> Garza: I'm sorry, I didn't see one so that's why I used the opportunity because the chief was here. I didn't want to take us off our agenda, but I thought it

[10:37:25 AM]

was an opportunity because I didn't know if there was planned to have this discussion. If there is going to be one -- I'm done asking my questions, but looks like there's a couple more.

>> Mayor Adler: And I think that's good. It would also help to identify the questions you have in that area so we would know. It would be helpful to know how much time or what's the best way to answer those questions.

>> Flannigan: It sounds like this being a wonky accounting question, we know we can't fill all the positions in the next fiscal year, does that end up being a one-time funds expenditure in the current fiscal year, but by adding the ftes it's securing it the ongoing for future budgets? It feels like there's some accounting happening here that's confusing.

>> I'm going to -- just want to make sure I phrase it right. It's not in anticipation of not being able to hire the positions, it's just the

[10:38:27 AM]

realization in any given mean when you attrition five or six a month you don't immediately have the person to step in the next day to fill that position. It's the realization at any given time during the year we will have vacancies in the department.

>> Flannigan: To Delia's point, what is the analysis behind adding ftes into a budget when you know you can't fill them until the next budget. I'm trying to understand why we would do that. Sounds like the reason it helps preserve future revenues, but until you hire them you have one-time funds and other things that become available. It's a very wonky budget accounting trick problem, but that seems like what we're doing. Part of my questions is the supervisor positions that are added, of the 30, how -- how are those being allocated while we still haven't hired all the Vick cyst and kind of what the triggers are for adding those supervisors as new people come into the force.

[10:39:27 AM]

I think the detectives are great, definitely need the detectives. The -- I'm glad that you mentioned the attrition in the classes. I was going to bring that up, from the training academy. You can have 60 in the class, but depending on what report you hear, it's 30 or 40 that maybe come out of it. I'm interested once we get past this budget and continue how do we look in the future of exploring community service officers that were in the matrix report. That may be a way to get folks into the department at a lower requirement, less intense jobs and let them grow into a higher level service. It would also be cheaper when you get more out in the community. It does sound the chief is making a strong argument for biannual budget. If we can't hire until next year we want to start thinking about those positions over a longer time period of time.

>> Mayor Adler: Alison.

>> Alter: I just wanted to clarify, councilmember Garza asked about the 61 in

[10:40:28 AM]

relation to the 102. The 61 in the academy have to feed into that 102 when they finish, is that correct, or is there 61 on top of the 10 spots?

>> No, so if the class were to graduate today, then we would go to 41 vacancies.

>> Alter: But you can't give people slots in a academy unless you have a spot for them to go at the end of the academy.

>> Correct. And that's why it's all based on projections. We have to project how many vacancies will exist the day that class graduates. We found ourselves in a position before where we were two or three weeks out from graduation and we had one or two -- overage where had they all graduated we would

have had an issue where we would have overhired. We're not authorized to do an overhigher so it's always trying to hit that target when a class graduates.

>> Alter: And so built into your budget is a certain amount of vacancy savings, per se, which is

[10:41:30 AM]

off set. So I think the calculations that we're asking for and really getting that clear is important because I think there's some confusion over how this works, and I also want to underscore there's still the need for the services of the police officer which needs to be filled in that meantime. And so that also needs to be factored in and we can talk about where those resources are allocated and other kinds of things, but we are agreeing -- growing city and I think we need to keep that very much in mind. But I also, like my colleagues, welcome the clarity on the accounting part.

>> Mayor Adler: Greg.

>> Casar: I want to elevate for when we have that presentation, I think it would be really useful to see the calculations that you've put together based on sort of our current attrition rates and ability and percentage of classes that we fillen and then also

[10:42:31 AM]

doing things to reduce the attrition rates, that's a good thing because it saves time and resources, but to have those side by side. If this current year pans out, how quickly we would fill it, if our attrition rate goes down, how quickly we would fill it. Having those side by side could be useful for us. That's one thing for whenever we get the spread sheet or future presentation that would be helpful. And second, I would love to understand, it could be outside of this because I know we've got other items, the way that we decide whether we want to budget overtime staffing in an overtime line item versus into positions whether or not we're going to fill them this year. I just want to know what procedure we use to know how we -- what budget line item we put each of those things into.

>> Renteria: Mayor, and also would like to know how much overtime money we have spent in the last two years and how much -- estimating how much we're going to be

[10:43:32 AM]

spending this time.

>> Mayor Adler: Okay. Ann.

>> Kitchen: And just to add, there's also a difference between authorizing positions and actually putting the funding in this budget. We've done that in years past, a number of years past. What we did is we addressed the question of when the funding was actually needed by authorizing positions but not actually putting them in the budget until the point at which you needed the funds to spend. So I wanted to just point that out that there's a difference between authorizing and actually in when the funds -- it's the same concept as we use for other ftes where we authorize the fte but we put six months in the budget. I want to have that conversation as part of when we -- when we lay all this out.

>> And I believe the

[10:44:32 AM]

proposal does include the detectives, there's the immediate need due to caseload, but the officers might have been at a six-month time frame. I'll have to look at that.

>> Kitchen: Yes, but what's on the table is these 30 officers -- or the 20 or whenever it is, won't even come on board until next

[inaudible]. So the question might be why put even six months in the budget right now. Why not authorize those positions, which sets us as authorizing them, but the money doesn't go into if budget until they actually start being paid. So anyway, we're not -- I don't want to get us off, but that's a component of what we need to talk about when we have this presentation.

>> Mayor Adler: As we go through -- I don't understand quite all the machinations, but for me I remain committed to the schedule that we had over a four or five-year period of time of increasing the officers on the force. I don't know the right way

[10:45:32 AM]

to layer that in, but I hope we do that. I hope we do that on the time line that we had talked about as we went through this a year ago and sent that path forward. That said, I'm conscious of the discussion we had yesterday where a lot of people came up and said that mental health is really important to do and they -- they were indicating that we could find that money by not meeting that schedule. I really hope you can meet that schedule and still find somewhere the ability to do the mental health work. Not as either/or choice. I would like to see us do both.

>> Garza: Councilmember alter's follow-up question confused me because I understood it the other way. So the 102 -- are those fte vacancies and are people in the cadet class not considered ftes?

>> Yes, we have a separate category of I believe it's 112 civilian position because our cadets are not

[10:46:34 AM]

commissioned personnel yet. They sit in those civilian positions while they are cadets and then we transfer them into the commission ftes upon graduation.

>> Garza: You have 102 commissioned ftes.

>> Yes.

>> Garza: That will be filled -- you said -- the cadet class, so there will be 40-something left when this class graduates.

>> Correct.

>> Garza: When do they graduate?

>> I'll get you the graduation date. I believe it's early January. But there will be more vacancies by then because average attrition four to five months.

>> Ellis: How do you calculate the total number of officers? According to Austin population or work workforce /resident ratio?

>> The city of a way of

[10:47:35 AM]

approaching two officers per thousand. Instead the time they actually have to engage with the community, and there are national averages and best practices and at a minimum you should have 35% in committed community engagement time. We strive to get to that 35% measure. Back when we moved to this methodology, we had been as low as 17%. Right now we're in the low-to-mid 20s as far as our uncommitted and community engagement immaterial too. We're pushing towards the mid-to-upper 20s again with what we understand to be a national average and minimum 35% time.

>> Ellis: That's helpful. Thanks.

>> Mayor Adler: Okay. Anything else before we move on? Alison.

>> Alter: When you provide the accounting, there's overtime that is accounted

[10:48:36 AM]

for by sort of event payments and other things so it looks I think in one place as overtime but then it's actually paid for as overtime. So if we're trying to understand how that's playing out, if you can give us enough detail on that. And then as I recall when we were working towards having the staffing plan with

the 30 a year, there are also startup costs that happen. And sort of trying to understand how those are factored into the budget if you have the 30 new officers and they are not starting until later, when do we need that sort of startup piece even if you need the hours because you need the personnel if there's any wiggle room with that piece of it.

>> Mayor Adler: Okay. Thank you very much for your time. We'll move on to the homelessness presentation.

>> Mayor, council, Ed is going to kick this off and

[10:49:36 AM]

then we have a number of staff able to answer questions but we did try to take a broader look at all the resources that are in this budget. Talked about how much of an historic investment this was and helping to address our homeless community.

>> Good morning, mayor, mayor pro tem, members of the council. Ed van eenoo, deputy chief financial office. I'm joined with staff from public housing, downtown community court, and after I'm done I'll free up my seat for Christie from the homeless strategy office to come join the conversation because homelessness is probably the singular service in the city that affects the most departments. As you go through this presentation today and you look at this historic investment of \$62.7 million, it's not all in one department, it is spread throughout the city. The three folks up here, their departments do represent a large portion of

[10:50:37 AM]

the funding that we have for homeless services, but there are aspects that reach throughout different organizations including enterprise operations. As you can see on the slide, this is a program area that supports both economic opportunity and affordability as well as health and the environment which as you all know are two of your top strategic. What I wanted to do was take a look at that \$62.7 million. We're showing you some of the funding is ongoing. It's money that we anticipate having in future budgets as well as this budget, but some of it is one time. As we've talked about earlier, a significant portion of our budget strategy this year was to allocate a large portion of one-time money towards homelessness services as part of our strategy for addressing future budget gaps anticipated under the 3.5% revenue cap. That's what you can see under the general fund, that

[10:51:40 AM]

\$17.3 million of one-time funding is largely that source of funding that's coming from the general fund, budget stabilization reserve funds, the money we're allocating an additional 7.7 million to the housing trust fund and you will hear rosy talk about what that money is going to be for when she speaks. There's dollars going to arch repairs and other homelessness programs. Other city funds includes enterprise operations, whether that be public works or the watershed department, who might be doing homeless camp cleanups. The one has to do with general obligation bonds and funding for a program the code department is going to be implementing this year. And then finally grants is another source of funding for homelessness services and this money is largely federal grants, C dbg annual home block grants. Total \$62.7 million divided amongst several departments

[10:52:40 AM]

some of it ongoing, some of it one time. I wanted to create that high-level frame and let the departments walk you through the different areas of their budgets that pertain to providing services to the homeless.

>> Good morning, mayor and council, rosy truelove. On slide 3 of the presentation, you see our -- the contracts and services that we're offering that help with tackling the problem of homelessness in Austin. First is tenant based -- we reallocated and reprogrammed through our consolidated planning process council already approved to create an additional tenant based rental assistance program. We're continuing the program we've had for a number of years through the salvation Army. The first is folks on the coc and the second program

[10:53:41 AM]

is really more --

>> Mayor Adler: What's that?

>> Continuum of care. The second is for folks that are -- is more geared toward women and children and families. We have allocated about \$1.8 million of our federal funds from cdbg for the first year for public facilities. We have continuing low barrier support of housing assistance with echo and efforts towards pay for success. The rent availability program is another kind of a rental payment program that we have through echo. And then we have a contract with echo to provide permanent supportive housing and continuum of care consulting services to the housing department. We also have our rental housing development assistance program, which is generally funded through the general obligation bonds. We don't have an estimate of what portion of our rental housing development assistance program will go

[10:54:42 AM]

towards folks experiencing homelessness, but we know that's a priority and we're continuing to push for increasing numbers of permanent supportive housing units through that program. We have \$5 million coming through the budget stabilization reserve fund he that's going to go into the housing trust fund that will specifically fund the buy-down of rental housing to levels that will support housing. Then we also have almost \$11.6 million of what we consider to be more along the lines of homelessness prevention services. And that's seeing an increase of about \$4 million this year and again funded through cdbg and home and the budget stabilization reserve fund.

>> Garza: Mayor, could I --

>> Mayor Adler: Yes.

>> Garza: What are public facilities?

>> So we have -- in anticipation of the acquisition of the property

[10:55:43 AM]

in south Austin for -- for a homeless shelter or a housing based -- housing focused homeless shelter, we allocated a portion of our cdbg funds to help with that effort. Those funds can be used if we were to acquire other property or could be used to help with the rehab of that facility.

>> Garza: And then the renter and homeowner assistance, how much of that is homeowner assistance?

>> Let's see.

>> Garza: The only reason I ask that, I don't know if that should be allocated under homelessness.

>> Some of that is our home repair programs is largely what you are going to see in the homeowner assistance bucket. We do consider that to be a prevention service because it does help keep in their homes. So that's why you see that lined up in there.

>> Garza: Okay.

[10:56:45 AM]

All right.

>> Mayor Adler: What is the difference between the various rental assistance programs? It looks like there's four or five on here.

>> There are. Let me go back. They are different largely based on the funding source and how we're -- and how we're structuring them. The first one that we have was the tvra, the general tvra administered through the city of Austin and the Salvation Army. That has our production estimate for that is 68 referrals and that allows them to help house 68 families or women. We were looking through the

consolidate planning process to help better utilize our federal funds to help with the homelessness effort, and in doing that we are able to reallocate some of our home funds to create another contract or a similar kind

[10:57:45 AM]

of tenant based rental assistance program but this is focused more on folks on the continuing care list. The other two are different varieties of a similar kind of concept. The rent availability program is with echo and that's where they are helping to locate, again and navigate and house people, but we provide a piece of the rent subsidy for those folks. And the supportive housing is funding through the downtown density bonus. I forgot to make that correction where it says home federal. It's funded through the housing trust fund and it is specifically designed and in anticipation of covering part of the rental portion required for the pay for success program.

>> Kitchen: Which one is that sue the echo contract is being raised to \$950,000 for the coming fiscal year.

[10:58:45 AM]

>> Kitchen: Mayor, did you finish your questions?

>> Mayor Adler: For all these, it's basically paying a rental subsidy so you have different providers that you are funding to do it for different programs, but it's all rental subsidies.

>> Correct.

>> Mayor Adler: Thank you. Leslie and then Ann.

>> Pool: I just wanted to point out the permanent supportive housing continuum of care consulting the echo contract, 160,000, I really appreciate you continuing those monies. That was on the list of priorities I was hoping the city manager would include in the budget so that's great. When we get to workforce discussion when we're not looking at our housing staff, it would be great for -- to get staff to talk about the workforce first, the win-win that we have, the prospects of people experiencing homelessness would have regular employment, job training for permanent employment, access to support services and the assistance with housing, of

[10:59:46 AM]

course. So this is really important and these folks can provide really needed help with encampment cleanups. So we're kind of in our parks and open spaces and also assistance in our animal shelter space

provides a really broad brush. That's \$160,000 that's really going to really good use. If you all could expand on that when we get to those portions. Thanks.

>> Mayor Adler: Ann.

>> Kitchen: Okay, so the portion of these funds that go towards -- that go towards dollars to people off the streets, is that through the echo Earth on art?

>> Somewhat as would the first tbra. Those are really intended to

[11:00:47 AM]

be -- to be --

>> Kitchen: The two of those?

>> Yes.

>> Kitchen: Tbra, what money --

>> It would be going through hacca.

>> Kitchen: That's for people to live in haca facilities.

>> No, no, rental subsidies --

>> Kitchen: To go anywhere yes. The first is for homeless. The second one is for -- I mean generally speaking homeless, but it's real geared more toward women, children and families.

>> Kitchen: The two I'm focused on is that top one which looks like we've added 570,000 to.

>> Creating it own stand alone program.

>> Kitchen: The total is the column that says fiscal 2020 proposed, the right column is how much we added.

>> Correct.

>> Kitchen: So and then the low barrier one that's

[11:01:47 AM]

950,000, that's also for those purposes. So if we wanted to look forwards targeting some of these as a policy or in an approach to helping homeless individuals get into housing quicker, these would be the two funds that we might provide budget direction around, I would assume.

>> I think there's potential there. I think that that's going to be an interesting conversation that we're looking forward to having with the new homeless strategy officer and with the new executive director for echo. I understand he's on board now but we haven't had a chance to get everyone together because the homeless strategy officer isn't here yet. But we would like to develop some understanding and ways

[11:02:48 AM]

that we can -- when we're looking at rehousing and especially in the properties that are being funded with our general obligation bonds and rental assistance that we can best match folks with an environment that would best be suited for them.

>> Kitchen: It's important that right now -- just two seconds and this and that's a much longer conversation we can have elsewhere, but, you know, right now we're housing people based on the coordinated assessment from the most vulnerable down.

>> Correct.

>> Kitchen: There's good reason for that, but that means that people that could be housed more quickly that don't need as much services end up on the waiting list for a very long time.

>> Correct.

>> Kitchen: So in -- in moving towards -- in moves towards housing people as quickly as possible, it's been my thought we need at least some funds, not all of them, of course,, but some funds that we can say this pot of money goes to folks

[11:03:50 AM]

that are at a different level on that coordinating assessment so that we can get those folks into housing as quickly as possible. I'm planning on pursuing as part of budget direction understanding it will take a while for the -- determining how it's implemented and we need our homeless strategy officer for that, but I think as a policy matter there's been a lot of conversation already in the social service -- and service provider community about that and I've talked to echo about it and I think there's acceptance that that's an important thing to do. So I'm just letting my colleagues know that I'll be bringing forward some budget direction around that. So this tells me where the pots of dollars are and if we wanted to, we can think about whether we might want to, to the extent it's possible, whether we might want to have an additional

[11:04:51 AM]

pot of dollars specifically for that purpose that's on top of this or not. So thank you.

>> Mayor Adler: Alison.

>> Alter: Thank you. So can you help me understand what's being spent on a housing trust fund?

>> For homeless services we've got the low barrier supportive housing that I neglected to fix on the slide last night, which is that's coming, it's funded, that's the 950,000 this year funded through the housing trust fund from the downtown density program the rent availability program is 156,000 funding through housing trust fund and permanent supportive housing or continuum of care contract is funded through the housing trust fund. We are also utilizing the housing trust fund to hold the budget stabilization reserve funds which is 5 million plus another 2.7 coming to the housing trust fund. The 5 million is going to be spent on through our rental housing development assistance program to buy

[11:05:52 AM]

down two lower levels of affordability. For example, if someone comes to us and say they want to build a 50-unit single room occupancy development that will house 50 folks at 50% median family income and they want \$5 million, we might say that's great, let's buy down to a deeper affordability. The other two points that's going to be coming from the -- to the housing trust fund is intended to be focusing around displacement. And we would like to see that maybe in the vein of the home repair program. That would really look at neighborhoods that are interning intense gentrification measures and help rebuild homes there so folks are under a little bit less pressure to sell since they -- perhaps help them maintain their homes. I can go through quickly the

[11:06:54 AM]

rest of the prevention services to flag what is funding out of the housing trust fund or respond off line.

>> Alter: If anyone else is interested, I would very much like to see what that's being spent on and the timetable it would be spent over. We have over 14 million that's going in there, which is a lot of money to go into a fund that has had trouble spending its money when we have other needs related to homelessness that are not being addressed in that budget. I would really like to see that. I'm pleased we are fully funding it. There's a lot of extra money in there and I'm not fully understanding how that's being spent and being spent in, you know, a reasonable time to make the investments that we need to be making to address the crisis that we have. So I would appreciate that.

>> Absolutely.

>> Mayor Adler: Thank you. Natasha?

[11:08:03 AM]

>> Harper-madison.

>> This is a source of funds for the emergency shelter that can be used for renovation. These are not funds we have available right now, they are next year's funds so we won't have access until after we receive our federal allocation. And so that will be probably more like October, November before we receive the funds from the federal government. Of 2019. So we couldn't use them for acquisition because of the time frame, but we can use them to rehab the facility.

>> Harper-madison: So I guess the question ultimately is then what is the difference between the public facilities budget allotment and the federal allotment? Like it's duplicative? It's on page 27.

[11:09:05 AM]

I guess I'm trying to figure out why --

>> Would it be easier for me to answer the question or go through the material and answer the question?

>> Harper-madison: I think maybe knows that's a question I have as you go through your presentation.

>> Mayor Adler: You will get it in your presentation. Before you start, when we had the daa meeting, we had someone who came to the microphone who basically said I could get into housing really fast, if you could get me into housing really fast, I could get out. That precipitated a conversation 40 before, 40 after and I think that's a really important conversation to have. I will tell you I am really anxious to hear the advice of the strategy officer just because I want her to really own whatever it is that is the plan that we implement this year just from a management standpoint. I think it's really important that to the degree that is consistent with the direction of the council that she owns that and she thinks that's what's

[11:10:05 AM]

happening is right and so she does that. So I think it's a really important question to have. I think ultimately the council has to give that direction from a timing standpoint, I don't know if it fits with this budget process and I think that putting, again, the block money for -- I know you even have identified places and sources for money and where it's going to be spent on here, but I would really like that strategy officer to be able to look at all of the money and then come to us with a recommendation on how it should be platooned so that, again, so she owns that. I will be leaning toward just a block

allocation on it. And then having that officer come back to us with how the money was spent. That's how I lean.

>> Kitchen: Mayor, I would like to comment on that. I certainly understand that perspective and I'll think about that in terms of how to award the budget direction that allows some

[11:11:08 AM]

flexibility, but I also do not want to wait for our homeless strategy officer. There's a lot that our homeless strategy officer needs to do, not the least of which is putting together a detailed implementation plan. So I think it's possible to provide some budget direction that does not lock -- lock us in if -- thinks it's a bad idea. This is something I've been working on for quite some time. I've researched it, talked to echo, talked to service providers, I don't think it's an idea that's an idea that has not been vetted. I understand the perspective and will bear that in mind in terms of people to consider, but I want my colleagues to know that given the urgency of the situation, I don't think we need to -- I don't think we need to wait.

>> Mayor Adler: I think there's a way to do it that doesn't lock it. Several of us have worked on this a really long time and focused on this issue.

>> Kitchen: I'm talking about this specific issue.

[11:12:08 AM]

>> Mayor Adler: This specific issue as well. As long as we're doing it in a way that doesn't lock people in, I would love to work with you on that issue.

>> Mayor and council, Robert Gonzalez. I did want to say that we reached out to Laurie as well with regard to the budget. We actually did have a discussion scheduled with her this Friday to go over the budget. Unfortunately she's dealing with a hurricane situation in Florida so we're going to have to move that to probably next week or so. What I did want to offer though is that if you don't mind councilmember kitchen to allow us to be part of these conversations. We've not heard this concern from echo with regard to diverting money to highwaysing. We completely understand that aspect of it. The concern, of course, that we would want to ask it is less expensive to invest

[11:13:10 AM]

money.

>> Kitchen: I'm not talking about diverting. I'm sorry, did you finish your thought?

>> Just allow us to have some of those conversations with echo. We would love to have those conversations as well.

>> Kitchen: Let me clarify so there's not understanding. I'm not talking about diverting any funds at all. I'm simply recognizing an issue that's been identified by service providers for quite some time. Including echo. And that issue is that we have because of the way we do the coordinated assess assessment of what people's needs are, which is important, and there's an an a reason. The result of the way we apply that priority means those with the greatest needs -- and that means they need the most in term of

[11:14:11 AM]

services, are the ones that receive the funding first. And then -- and we never get down because we don't have funding for everybody, we never get down to the person like the mayor referred to and there are others, of course, the person who says -- who doesn't have addiction needs, doesn't have minute issues, who doesn't have other needs and they simply need, you know, six months of represent or whatever to get back on their feet. Those folks end up on the street for a long time, which increases the trauma, increases their -- the likelihood they will develop additional issues and all those things. All I'm saying is in the interest of moving quickly in terms of helping for unsheltered folks get off the street, if we can think in terms of putting some of our dollars toward that part of the population and it would be best, of course, if it was increased dollars towards that part of the population, then I think we

[11:15:12 AM]

should do it. And it may be a short-term thing and then we go back to the way we've done it before. I think it's critical that we find a way to think about that pry orization. That's all I meant. And, of course, you all should be and I'm surprised you all haven't had -- maybe some of you all have -- I certainly have had thought conversations. I know our social service folks have had those conversation.

>> Mayor Adler: Delia.

>> Garza: Along the same lines, but I'm trying to understand of the 62.7, and I was going to ask at the end, but I'm going to have to leave in a little bit. Of the 62.7, it seems like just from the first part of the neighborhood housing, we're including a lot of current funding. That's really good to know because I think as we continue to have this very important conversation in the community, to be able to tell the public we have invested millions over 15 years that has, you know, maybe if this money hadn't

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been invested instead of the numbers we're seeing in homelessness now -- they would be bigger. We would have bigger numbers in our homeless population had it not been for the investment that the city has made for decades. So it would just -- if you could separate, like, you know, this is the amount of ongoing funds and this is new money that we are investing, and then I also wanted to know of the money allocated of the 62.7, is any of that -- I'm sorry if this was already answered in councilmember kitchen's question, is any of that unallocated for as we look for new ways to address this issue or is it all already allocated in some kind of contract that exists or some kind of service that we already provide? You don't have to answer that now. If that information could come, you know, later, that would be great.

>> I don't think that we've looked at it from

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unallocated standpoint as much as from a flexibility standpoint. So that way as the homeless strategy officer does get on board and works with you as council and community partners, we wanted to ensure we have some degree of flexibility in moving dollars around, whether it's towards prevention or whether it's towards housing. So I wouldn't necessarily characterize it as unallocated as much as we've worked in some flexibility in there.

>> Garza: In that flexibility because we're getting -- I'm sure many of us are getting approached by nonprofits who have never depended on city funding but they see we're folksing us on and they are saying hey, we help homeless people and one in particular was dress for success who provides clothes for people to have interviews and get jobs and they do help a portion of the homeless community. And so it would be nice to know where to direct them to. And obviously, you know, they are coming to us during budget time. And so with that one in

[11:18:14 AM]

particular is a very small ask. And so, you know, I know we don't -- we've been trying to not get into the old practice of making a motion to fund a specific, but, you know, we rightfully get asked those questions and you hear about all these great programs and you want to be able to help them and help guide them through this process to help get their program funded.

>> Absolutely. And one conversation you all have heard me say this before which is that the city of Austin can't be the only funder of all things homelessness. And I think this is where we're going to have to rely on other agencies to step up to the table, whether it's county agencies or districtwide agencies, everyone has a role in funding the issues in front of us. I certainly appreciate that individual organizations are coming to council, they come to us as well, but you are going to hear us state loudly that the city of Austin has revenue caps that

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we're dealing with and we're going to have to look to other funding sources to begin doing this as well.

>> Mayor Adler: Jimmy.

>> Garza: I'm sorry, we give the same explanation, but that doesn't stop the ask and so if we're going out there in the public and saying we are increasing our funding for this, I don't know where the increases are happening. When people hear we're increasing the funding, people are like if you are increasing the funding, we could increase today it to help by giving us more money. Believe me, I tell people the city can only do so much, we have revenue caps and all that, but if there is in fact an increase in funding for this area and organizations want to expand their -- is that increase -- is the increase in funding and I don't know what that is because the way it's presented here is we're

[11:20:15 AM]

spending this on this and this and this. What is the additional money we're spending and where is the additional money going I guess is my question.

>> We'll try to be more clear on that. I misheard you. I think what you are talking about is prioritization of the new money and where it's going to.

>> Garza: Yes.

>> Mayor Adler: Jimmy.

>> Flannigan: Something that struck me last night when we were doing the hearing and we've heard this phrase for many years, the budget is a moral document and I've been wrestling with that because we all want to do the things. You know, the budget is constrained even if our morals are not. And I don't know that that same conversation is happening at other levels of government or with other entities and I think sometimes they are and sometimes they are not. Something else that I learned this week in talking with the Salvation Army was that 20 to 30% of folks in their shelter are coming

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from other jurisdictions. So we increase our funding of the Rathgaber center who entered homeless in Round Rock or San Marcos or the ETC out of other areas of Travis County. I don't think the funding is being balanced appropriately between the jurisdictions having those issues. People are entering homelessness for different reasons in those communities. It's not necessarily all the same reasons. Domestic violence issues tend to put people into homelessness as well. These are issues we can't obviously address before budget adoption but I'm committed to work on through my rule on the capog

committee, we won't be able to do -- so much of this is one-time funds. I'm comfortable with a moon shot approach right now and I'm comfortable with the city being the kind of collaborative center point. We are the central city. We have to bring more of our

[11:22:18 AM]

partners to the table when folks say that, you know, people experiencing homelessness are coming here from other areas, what they are thinking is California or Dallas or Houston but they are really coming from round~rock. And that is a decidedly different challenge but one I think our region is willing and able to solve.

>> Mayor Adler: The hard thing for me I don't know whether it's better to add to this program or another one. I think the prioritization question is what's real key and would happen the strategy offer and staff would come back and say this is the priority you've been spending this money because somebody has to make hard choices or recommendations spending it one way versus another and I hope there are better experts than me to be able to guide that through.

[11:23:20 AM]

I also look at the money that's available for neighborhood housing. I would -- I hope that sometime soon we initiate the collecting the \$30 million in excess capacity in the waller street tif so that can also be program dollars this year with respect to this challenge as we have talked about it. And I think everybody's comments are right, the city can't do this alone and I think there is a regional governmental response to this that would be appropriate and welcome and real important. We also have a lot of people in the private sector in philanthropy that are stepping up at this point and I want to encourage that. As a result in part because of the conversation happening in the community over the last couple months. I think there are a lot of people trying to bring a lot of resources to bear and it's going to be necessary. Kathy.

>> Tovo: Yeah, thank you. Sorry I had a conflict, I

[11:24:21 AM]

missed the beginning of this presentation. I just wanted to say I did ask for clarification through Q and a about the breakdown of the new versus old funding so hopefully that will provide more clarity. I do think it's important, I answered this question a couple times when talking about the local government corporation, I think that's going to be a great mechanism to help raise official private dollars that then I hope can pass through our regular contracting process. So you know, I -- I am hearing similar queries. There are these individual programs we should consider funding, but I really would support sticking to

kind of our regular -- our regular process of asking our staff in most cases to evaluate that through their regular rfp process for individual allocations. I did want to ask about one of the things that's come up in a couple different conversations is whether the increase in -- I think it's

[11:25:21 AM]

important to clarify to people watching it that the increase in money for housing and services for homelessness has been allocated. I mean, you've allocated it in different general areas, but it is -- it is not a lump sum kind of waiting for allocation. For the most part.

>> It has been allocated, yes.

>> Tovo: I just want to make sure that's clear. But is there funding within one of those pools of money for things like bus passes, id cards, that kind of -- what are small individual expenditures but for the organizations providing that assistance to individuals who have lost their documents and the kind of identification documents they need to get into housing or jobs. Is there a pool of funding for that somewhere within this budget?

>> I did want to mention that, I think we're on page 2 of a six-page presentation. I think we will get to that.

>> Tovo: I'll just hold that.

>> All right.

[11:26:21 AM]

>> Mayor Adler: Let's go ahead -- we'll let you go through the whole rest of the presentation before we ask any more questions.

>> [Inaudible]

[Laughter]

>> Good morning, Stephanie Hayden, Austin public health. So I want to just kind of do a high-level summary and just work through and kind of try to pick up some of the questions that have been asked. So overall there is a \$32 million investment between grants and general fund in Austin public health. Of that there is increase of \$11.4 million in fiscal year 20, proposed 20, which includes \$1.8 million of ongoing funding. And it will cover areas such as emergency shelter, permanent supportive housing, homeless prevention which picks up rapid rehousing. One of

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one. Questions asked earlier about the difference between the emergency shelter . And the public facilities, the emergency shelter picks up all of the funding that is -- whether it's general fund or federal dollars that go to at least 11 shelters within the city. So it ranges from just kind of your general shelters like front steps, salvation Army to safe, which is domestic violence, and so we have a range of shelters that the city provides partial funding for that. And so that is the difference between the line item for emergency shelter and the public facilitate one that Rosie spoke about earlier, which those are federal funds that she stated and that would go towards renovation. So that's the difference between those buckets. The other kind of highlight is the collaboration between

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family elder care as the fiscal agent and the other ones, foundation is the workforce pilot. As you all know there was a resolution this past fiscal year in fy18 and as a result of that there was a pilot, a collaboration between Austin public health, pard, animal services and watershed. And there are actually homeless people that are working in three different departments. They're working at pard, watershed and animal services. That has been a successful project because they are providing job development, which helps them with their soft skills and they're paid for their employment and it

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also connects them to other employment with some of the match dollars that they've been able to get with other community partners they have been able to add some additional supportive services, which has included the additional case management as well as connecting folks to permanent supportive housing housing. In the fy20 proposed budget it's about \$205,000 that is dedicated to that project and that covers the cost of one crew. And then the last question that talks about id and et cetera, typically within a couple of buckets we're moving to a place where we're really, really trying to make sure as many clients are case managed. So within the case management process as folks are working with them, there is some financial assistance in the rapid rehousing bucket as well as within the

[11:30:26 AM]

homeless prevention dollars because that's where case management and financial assistance is as well. So it pays for those types of incidentals that individuals need to be housed. So I'm going pause right there and I'll turn it over to Pete.

>> Good morning, mayor and council. Pete Valdez, community court court. In the proposed fy20 budget we have a couple of increases associated with our intensive case management program, which provides

direct case management, full wraparound -- utilizing the wraparound client centered housing focused approach. Many of the individuals that we are serving have tri occurring disorders such as mental health, substance use and physical disabilities, but we also experience

[11:31:27 AM]

individuals with traumatic brain injuries and developmental disabilities as well. On top of that many of the individuals that we're serving also have extensive criminal histories. With our host with host, we also encounter individuals that don't have the criminal histories, but do have the other characteristics that I described, but historically most of the individuals that we serve in case management have a form of criminal history. So for fy20 there's a proposed two fte which are the two additional clinical case managers and that is going to help us address our ongoing waitlist. Last year we -- our waitlist increased to 120 individuals that were requesting case management. We are down to 56. So these two case managers

[11:32:27 AM]

will assist with that. The amount that is on the slide also covers the fuel and maintenance for the case management vehicles that are assigned to us and some equipment, licenses and software for those individuals as well. I should say that we prioritize host referrals because we have a full-time case manager on that team who serves as the liaison between host and community court and connects those referrals direct I to our case -- directly to our case management program. Host referrals do not wait to get connected with a case manager. We make sure that they're connected as soon as they're referred because they've an identified as high risk by the host team. The second increase is for our social service

[11:33:27 AM]

contracts. Currently each case manager who manages a cloudy of up to 16 individuals -- caseload of 16 individuals they access \$26,000 for that caseload annually. So the proposed amount is \$474,000 -- 474,990, and again that's going to go directly to social service supports. We will issue a solicitation and try to recruit providers that can fill gaps in our social service continuum, our own social service continuum. What we're seeing right now that is needed based on our discussions with our clients and also through our involvement with the Austin homeless advisory committee is a great need for storage.

[11:34:28 AM]

And of course more housing availability. So in current fiscal year we contracted for 20 permanent supportive housing units so that we would have direct access to those units because again listening to our clientele and aaa, we realized that the coordinated assessment process is not housing people fast enough so we wanted to create a solution to that end and at least be able to have direct access for the individuals that we were housing. So going on to the next slide, we included our agreements that we manage, so the homeless outreach street team contract with integral care is included on that slide. That contract funds four employees from integral

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care, one of them being a peer support specialist. And again, they support all the -- they're out in the community together with APD. APD and ems again looking for high risk individuals that they can connect not only to us, but that they can serve in the field. And lastly the expanded mobile outreach contract, which in 2019 was allocated to APD but we managed that contract. And in fy20 it will be allocated to dacc. And that contract pays for 20 clinicians and one medical provider. And that's all I have. Any questions?

>> Mayor Adler: Let's see. I think we have more slides.

[11:36:30 AM]

>> Good afternoon mayor and council. Christy with the homeless strategy office. And I will be closing out this segment. What you see before you are the other -- some other initiatives and work by our partner departments in response to the efforts addressing homelessness. I won't read out the whole slide, but I will highlight a few items listed. You have the encampment cleanup. And that's at one million dollars. We also have the homeless outreach street team, which you've heard about before. I would like to highlight the workforce first program with pard that has been mentioned. And then we've also got other items such as tenant temporary relocation and the portable toilet cleaning items. So this total amount, various funding sources, is about four million dollars, which was a 1.2 increase from the prior year. I think with that I will turn it over.

>> That concludes our

[11:37:30 AM]

presentation, mayor and council. Certainly we'll take more questions at this time.

>> Mayor Adler: Okay. Jimmy.

>> Flannigan: I had a chance to meet with the downtown Austin community court folks later this week. Remind me again, do you serve the ones in most risk, the ones at the far end of the spectrum. But you still have a waiting list, is that right?

>> That's correct. So like I said in the presentation we do prioritize the referrals from host. So the waitlist is mostly individuals that come in voluntarily asking for assistance. So--

>> Flannigan: Ones who haven't yet entered criminal justice or don't have a history.

>> Some of them do and some of them don't. Some have heard about the services that we provided to their friends so they come in asking for assistance. And we can't always do that if we're -- we get an influx of referrals from host depending on what's going on in the community.

[11:38:32 AM]

>> Flannigan: So councilmember kitchen, I really do agree that we need to be solving the problem kind of at all the slices and getting folks out, but there will be trade-offs. So I just want to make sure that we're talking about those directly and honestly with ourselves and the public. Because we could put more money into this program and not put it in -- that's just a reality of the budget process.

>> Kitchen: I'm not sure what you're referring to because I absolutely agree that we have to -- I wasn't suggesting taking it from anywhere else.

>> Flannigan: No. But I'm saying that where you put it is not putting it somewhere else. No matter how you talk about it there's a finite amount of resources and we'll have to make some choices on where we put them.

>> Kitchen: Yeah, I look at it a little differently, but I understand what you're saying.

>> Mayor Adler: Paige.

>> Ellis: I'm excited to see that the workforce first program is expected to be pulled into the next fiscal year. Can you tell me how many people are helped with that \$50,000? Was that just a pilot that kind of started smaller and we can expand on it?

[11:39:34 AM]

Or how is that working financially?

>> Councilmember, I do believe that was a pilot. I don't have the data available on the number of people, but that's something we can certainly follow up with. >>

>> Ellis: Yeah, I may support a formal question or follow up with you about that program. I think it's beneficial when we make sure people have workforce training and a way to get back on their feet. I

think it's a pivotal part of this formula we're trying to get into the situations that we're dealing with right now.

>> Mayor Adler: Just as a post script, I think it's a really good program and some of the conversations that are happening in the community now with respect to cleanup issues, not necessarily in parks, but in the overpasses and some of the places we've heard that challenge happening. There's been some discussion about hiring folks that are experiencing homelessness that are in those areas to help police , to have people work to fill purple bags or

[11:40:38 AM]

to fill police areas. I think that may be a good way to support people right at the point and at the same time helping with Austin -- keeping Austin clean. I note, and it's something I'd like staff just to take a look at. I note that the clean Austin fee was shown on the preliminary feel it going down by 65 sense. You know, one thing that might take -- be worth looking at is taking that down 55 cents instead of 65 cents. That would turn up \$450,000. That might be able to help fund a program that was focused at this particular challenge in a way that -- I know it can't be a program for people experiencing homelessness if it's the clean Austin fee, but it certainly would have that ancillary benefit if that was something that was worth taking a look at. Leslie.

>> Pool: That's great and that segues right into the

[11:41:38 AM]

funding request for three additional workforce first crews, which was a priority that I had submitted to the staff. The idea here was that three additional workforce first crews would help address areas where the city has great need liken camp. Abatement and growing green space, vegetation management, repainting public restrooms, monitoring grafitti breakouts, working with park rangers and other mitigation jobs. This definitely touches on the different things that y'all have said earlier today about hiring, people who happen to not have a home at this point and have them work their way out of homelessness. So could you talk a little bit more about that program and whomever has those details?

>> I believe we have a pard representative.

>> Pool: I see Ms. Mcknight back there.

>> Can you tell me what else you would like to know?

[11:42:39 AM]

Because the contract is with Austin public health.

>> Pool: So we're looking for -- I think it may be in there, but it's separated out in different line items, an investment in fiscal 20 of \$960,000 for resources for program crews, the additional crews, salaries, supervisory staff, social workers, job training, how long readiness and equipment. I think that that is in here from what the notes that my staff have given me from their conversations with staff, but it may be deployed in different line items.

>> So your staff did send me a copy of that document. I'm familiar with that document. That additional ask for those additional crews is not included in this current budget. The only for fy20 is we have 205k that is included in this fiscal year budget so that only pays for one crew. The documentation that staff

[11:43:42 AM]

put together will add I think two or three additional crews. And it takes it up to the 950k.

>> Pool: So this is an item that we may want to put a bit of focus on since it sounds like a lot of folks on the dais are interested in making this happen and it touches on a lot of different categories that we're focused on. I just want to underline what I'm hearing in the community, all around the city about camping in the parks and the fact that we're having to send our staff in there to clean up the encampments. So I really want to prioritize some funds and that's part of this \$900,000 to address these circumstances. And again some of that might go to hiring some of the people living in the encampments so we can help catapult them out of homelessness and into M housing focused shelter and move them down that continuum.

>> Mayor Adler: Continuing

[11:44:43 AM]

on, Alison.

>> Alter: Thank you. I wanted to ask some specific questions. Some of it I think is on page 32. So I think there were two additional social workers at the library. If I'm reading that chart that money is coming out of the library's regular budget as opposed to being incremental beyond the 6,000. Is that what this is saying? So we've taken resources that's being redirected to homelessness, but it's resources in the public library budgets that are now being redirected to the social work? Is that correct or am I reading the two columns incorrectly?

>> The social workers at central library, the \$85,914 is not new money. We had put those positions in the fy90 budget. They're continuing forward. The \$6,000 is additional training for those individuals.

>> Alter: The budget information read as if those were two new positions.

[11:45:44 AM]

So I wanted -- I was confused by that. So they're not new positions. And then on this charted pard is only showing up specifically for the \$50,000 \$50,000. How are we capturing the hundreds and hundreds of thousands that pard is spending on cleanup right now?

>> We do have staff from pard here. My understanding from the cleanups is right now they've been taking from other areas of their budget to fund the 89-ups. In this budget we do have as part of that top line item encampment cleanups we do have a small amount of budget for parks, \$75,000 of that 1,000,025 is a budget for homeless camp cleanups.

>> Alter: I'm going to second what Leslie is using for this encampment. I want to make sure that my colleagues are aware that pard is having to divert

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hundreds of thousands of dollars, as I understand it. I'm trying to get the exact number, but it's on that order I've heard, that they will have to do even more given the size of the encampments that we're hearing about. And that is being diverted from the safety lighting from all of the other kinds of maintenance issues that were raised last night. It -- there are all sorts of knock-ons of this and I really think that we need to address that need to make sure that our parks are safe and clean. Some of these parks are in high risk areas and when you leave that kind of debris around that we're observing, it is extremely dangerous with the risk of wildfire that we have right now with our days and days and days of 100 temperatures. So one option is the one that his pool suggested

[11:47:44 AM]

which also provides a workforce, and I love solutions that help us address multiple priorities, but I'm really going to be looking for ways for us to fund that. I like your suggestion, mayor, for looking at that clean community fee, but this is something that is going to be in a different order of magnitude from what we have been doing, and I'm trying to get clarity on what those numbers are and I'm also trying to get clarity on what's going on on the ground. What I'm hearing is alarming me in our parks, but I don't yet have as much concrete data on that. And there may need to be substantial cleanups from what I'm hearing. But again, I want to underscore I don't have all of the facts at this point but as we're budgeting we do need to keep this in mind.

>> Mayor Adler: Natasha.

[11:48:44 AM]

>> Harper-madison: You said something that intrigued me. So I have a sister who was in a really terrible car accident and suffered a closed head injury so I've been the trustee for her for going on a decade and a half now. Just anecdotally from my observation she needs so much in the way of assistance and advocacy. And I'm just curious that you said a substantial amount of the people that you guys serve are either developmentally delayed or have closed head injuries. So I'm just wondering what does the long-term advocacy look like for those people? If you don't have an item or somebody with power of attorney or don't have a connection with family elder care, for somebody to mind your dollars and all the things that are -- I guess are at risk for that population of people, I'm really curious about what other agencies you guys work with and how do you help to

[11:49:47 AM]

ensure they get the long-term permanent frankly advocacy that they need?

>> So unfortunately we have the same housing challenge with those individuals than all the others. Because those individuals need such a high level of support, those group homes don't really exist. Highly functioning, good quality group homes don't exist for that population. So over the years we see a lot of those individuals and individuals with the developmental disabilities eventually just die on the street because there isn't much that can be done. We do connect them to family elder care to manage their money, but still the challenge exists in terms of what type of housing they can access where they can get the full wraparound attention that they need.

>> Harper-madison: It sounds to me that it's certainly something that we

[11:50:48 AM]

should be taking a look at in terms of our priorities. Again, it's annex dole AI, but I just made the observation throughout the course of the years, there have been complexes that are helpful and like the one on Trinity, for example, they have a locked door, so there's a manager that has to permit you to enter the premium assess, but so many of these people are unfortunately subjected to being taken advantage of. And it's a major need in our community and there definitely should be some order of priority placed on vulnerable populations in terms of our efforts around housing.

>> The other downside to videos individuals is that if they're in the coordinated assessment system, that system relies on a self report. So when you ask an individual questions, somebody that has developmental disabilities and brain injuries, they're not going to give the

[11:51:49 AM]

answers that are going to help them score high enough to be prioritized.

>> Mayor Adler: Thank you. Pio.

>> Renteria: Yes. My question is also for community court. Are you experiencing any veterans coming before your court?

>> So if they're veterans they have to self-report initially. So there is no way for us to know if they're veterans unless they tell us. That being said we don't va high percentage of individuals that self-report being veterans.

>> And if they do self report, how would y'all handle that?

>> We collaborate with the va to see what types of services we can connect them with through the va. But they will also receive all the other supports that we have in place like anybody else would.

>> Mayor Adler: Kathie and then Ann.

[11:52:49 AM]

>> Tovo: I have a couple of questions and one relates to an issue that several of my colleagues asked about. And that is the workforce first. Thank you, I couldn't remember the second part of the name. This is a question that I've been asked and I once knew the answer and I've forgotten about how many individuals are served through that program. So if you would treat that as a formal Q and a, I know councilmember Ellis raised it, but I think it is information that would be valuable for others of us on the dais, but the public because it does come up from time to time. And I guess I need help understanding or being reminded of the differences among the different programs, so I know our watershed program is through drainage utility fees marching cleanups in certain areas that are near waterways.

>> Yes.

>> Tovo: But they are using an outside contract that does not include staff members who are part of workforce first, is that correct?

>> I'd have to find that information out.

>> Tovo: Let me lay out my body of question.

[11:53:50 AM]

I really like that idea, mayor. I'm interested in knowing how all of these pieces fit together because we have the contract through watershed to do encampment cleanups along waterways and we made sure there was language in there about making sure that those were employed on that contract are sensitive to the needs of individuals experiencing homelessness and other things. And then txdot at one point had a contract and director Hayden, you were probably at the same echo meeting I was at when they had a presentation about it. And I've now forgotten, but they had a contract through Easter seals, I thought, to employ individuals, including individuals who were experiencing or had experienced homelessness to do encampment cleanups under overpasses. It sounds like what you were describing, but it was a contract managed through txdot. So I don't know what of these are still going on or

[11:54:51 AM]

the connections between them, but I want to be sure that we know and understand that well before we start another new program. Perhaps one way to do it would be to fund -- add funding to the existing programs and have it developed that way. I think first of all we need to get all those programs straight.

>> I would agree with you and I think that's the premise for the homeless strategy officer is to coordinate all the efforts that we're putting forward with regard to homelessness. I think this is an area in particular the cleanups that would serve well to identify who is doing what and through what means, whether it's contracts or whether it's with employees and what are the funding sources. I do think it's one of those areas that we could be better coordinated at. And more transparent in identifying exactly how they're done.

>> Tovo: The challenge for us here is it's an immediate need and we'll be allocating funding. To some extent yes, there's a sort of more global impasse to have them, but I think it would be helpful that information right away would be somewhat helpful.

[11:55:51 AM]

So if it's useful I'll try to develop some questions about it.

>> And councilmember, we'll see how we can craft a memo with the information we have so far, but as assistant city manager mentioned, we are just starting to wrap our hands around the different resources that are being dedicated to cleanups across the city, including with our partners and then even the funding that can be used for some of our services because some of them have more flexibility than others. But I appreciate your point about we're trying to make some budgetary decisions and to the degree that we can respond any information before the budget adoption process takes place, we will get that to you, but to the assistant city manager's point, this is a longer discussion and we are just beginning to get more strategic and I think thoughtful about how we manage those resources more effectively.

>> Tovo: In particular I think the missing piece for me right now is the txdot contracts and kind of the status of those. I can go back to my notes from that meeting and director Hayden you probably remember it better than I do and may have all the information already.

[11:56:51 AM]

I was glad to hear, I didn't realize that animal services was part of workforce first. That is great. Are the individuals who are working in watershed working on cleanups? I think that was another question I had. Or are they doing more general work?

>> Within this contract, watershed has two days a week. So pard has two days a week, watershed has two days a week and then one day animal services.

>> Tovo: I see, the individuals rotate through those departments.

>> They rotate through the departments in the week with that one crew.

>> And what kind of work are they doing within the watershed piece?

>> April thretford, watershed protection. They are focusing on open space wetlands to do abandoned encampment cleanups. Similar to parks and recreation they're focusing on waterways and the culverts that convey the water through watershed

[11:57:53 AM]

properties.

>> Tovo: I see. So they are doing actually the same kind of work that watershed also has a contract with an outside agency to do near their waterways. These employees are working on it in -- I assume in non-waterways similar work.

>> Correct.

>> Tovo: Thank you. I am wondering about -- I apologize that I missed probably the introduction that explained this. I'm assuming the two columns here are this is what's proposed and the increment is the increment over last year's funding, the increase basically.

>> Yes.

>> Tovo: Okay. Can you step me understand then the arch renovations. I had asked a question in last year's Q and a and I think it yielded the information I'm going to pull up here in a sec, that there was -- oh, I've gotten so much email I lost it. I had asked a question in

[11:58:54 AM]

last year's Q and a about the arch renovations and how much money generally there was in different pieces of last year's budget for arch. And I think at that point there was something like 310,000 in the-- 310,000 in budget -- in the reserves fund or whatever for the courtyard improvements and garage improvements that hadn't happen. And I'm not aware of any work that has happened on that. I'm glad to see there was additional money added in this year's budget, but I'm not sure what happened -- I'm not sure how we got from 310, the building services department he no work planned, but 310 available that can be used for capital renovations through the arch facility. It's been awaiting that renovation for awhile. Here it suggests it's been reduced to 222,000. With an additional 122,000 added. So how did we get from 310

[11:59:56 AM]

in last year's budget, no work has happened, it's gone down? What's going on there?

>> So the arch front steps has been able to do a few more internal type recommendations that they work with our office and building services with. So for example, they have done some small things. So they've done something with the lockers with the storage. They've also put in like ceiling fans. So there were some small improvements. Now, this additional \$1.2 million, because there are some other -- as you may recall, Austin public health asked Austin code to go over to the shelter to really do kind of a full facilities overscope, and basically as a result of that there are some things that we found in

[12:00:58 PM]

that that Austin code found in that process so there are some facility things that we need to improve. So these dollars will go towards some of those. So like plumbing, for example. There's a challenge with the plumbing.

>> Tovo: I'm sear, where is that?

>> It's on the Austin public health slide, the arch improvements.

>> Tovo: So the garage renovation, the garage renovation is still there, and can be used for external improvement.

>>> Just a little clarity. We organized this presentation around departments, but there's multiple departments that are doing projects at the arch, really two. So on page 29 you will see what Stephanie mentioned, \$1,265,000 of new funding for a variety of arch improvements. Then I believe the line you were looking at was on page 32, which is a building services project for garage renovations and a

different funding source than the money that's being allocated to the health department. So we could get you just one -- we could maybe do --

[12:02:00 PM]

provide you information on just what is everything that's happening at the arch across different funding sources. It's just a matter of how you organize the information.

>> Tovo: Thank you. I will try to remember to submit a question, but that would be great. If not, I think that would be very helpful. The the cleaning portable toilets, that is proposed at the same level. Are those -- is that -- what are those for? Are those for the mobile ones or are those --

>> That's for the mobile ones. It's a public works department line item for cleaning those three new facilities.

>> Tovo: Well, that was the substance of my question. Are they for the mobile ones, are they for our soon to be hitting the ground permanent ones? And we can follow up on that. We'll follow up on that. And then security services at the arch.

[12:03:05 PM]

Can you please help me understand what that looked like? We spent a considerable amount of time last year meeting with staff and constituents about how we could implement what had happened during the summer pilot program from a couple of years ago of having that outside security presence from APD officers which went a long way to improving the safety for guests at the arch and others in the area of having that on-site presence. I'm not really clear on security services -- what this is telling me. It says it was a one time pilot. Is that what I'm talking about? I thought it -- I thought that was the previous summer. I thought it was 2017 actually was the pilot. So it didn't fall into the one-time pilot that's been designated here. I'm not sure what the one time pilot being described here was.

>> If I could first respond

[12:04:06 PM]

to -- it was the bathroom cleanups was for the portable. Somebody just whispered that in my ear.

>> Tovo: This was for the portable. I assume somewhere else in the budget we have the permanent.

>> I would have to follow up with public works on that.

>> Tovo: Hopefully we do.

>> And then on the security services at the arch, this 187,000-dollar reduction was related to, it's my understanding of this item is that it was related to police expenditures that were incurred in fiscal year 2019. There wasn't a budget line item for that. They just managed their budget and absorbed those costs of fiscal year 2019. So when we look at the fiscal year 20 budget where they're still not budgeted that's why it shows up as this negative 187. I do believe public health also has money in your budget for security at arch that's not related to --

>> Tovo: Can you help me understand what the police presence -- in the summer of 2017 there were two officers around the clock outside the

[12:05:06 PM]

arch. That hasn't happened -- as far as I understand that hasn't happened since that period of time. We had considerable discussions before the budgeting process about whether we could have a line item in there to affect just that level of staffing. And I think the compromise we came up with was having some more general language about security services. But I'm not sure I can explain how that 187,000 was spent in terms of policing at the arch over this last year. I just -- I may be unaware of what some of those initiatives look like, but it was not an ongoing presence outside.

>> Rare arrest arrest -- ray arrest . This particular line item being described here there was a budgeted amount for

[12:06:06 PM]

APD to provide some initial security presence, have a project to put -- reconstruct a sidewalk in that vicinity that was contemplated for current year, but that never happened. In previous years. So what happened is this is backing out that dollar amount.

>> Tovo: Okay. So let me just voice my general level of concern over multiple elements of that. I would say the pilot was responding to very similar conditions as we currently have outside the arch, which is we had a consultant come in from the national alliance to end homelessness who suggested that part of the challenges in that area is that there is a drug marketplace taking place on the sidewalk. People are coming down to prey on individuals seeking services at the arch and at caritas and at other places. And that having an ongoing police presence out there in addition to the other kinds of things that were launched during that summer, more case worker presence and

[12:07:08 PM]

other resources. I know the mayor participated in those conversations as well. I mean, that was extremely successful to have that on-site security presence. So again, I hate to repeat myself, but last year in response to the success of that I tried to affect some security dollars in this area so we could have a similar ongoing kind of presence even though that was not -- and this was the solution that was suggested to me so that we weren't overstepping our boundaries into the manager's territory or chief the police territory and there be police resources in a particular area of town. I am concerned that those dollars didn't get spent in that way. We certainly have a need for ongoing security in that area for the same reasons we've had that ongoing need for multiple years now. I think it should be an extremely high priority to make sure that individuals who live, work, seek services at our facilities

[12:08:09 PM]

in that area feel safe, which they currently don't. And so -- I think the street reconstruction may have been related to the red river project possibly, which we've already had an opportunity in recent weeks to talk about level of frustration in the community and others, and I'll count myself among them for the long time that that's taking. So I guess I'm going to need a better explanation of why those dollars didn't get spent and what we can do to make sure they -- that we're not in that situation again and what our plan is in that area. I'll leave it there for now. Thank you very much.

>> Mayor Adler: Ann. Hey, colleagues, it's 10 after 12:00. Are we going to take a lunch break before we hear the last report on the convention center? Can we let the staff go until after lunch? Okay. So we'll take a lunch break before we do the convention center stuff. Staff can stand down and we'll start that after we

[12:09:09 PM]

come back from lunch. Let's keep going here until we break for lunch. Ann?

>> Kitchen: Okay. A couple of questions. So too follow up on a question of councilmember tovo's, one piece of information that would be helpful is -- the dollar amount for APD on homeless enforcement, we don't really have that in front of us. And I'm talking specifically -- not in general, but I'm talking specifically about the kinds of questions that councilmember tovo asked. If we're talking about increased police presence and security, then we need to understand the cost of that and we also need to make sure -- I would support some dedicated -- I would like to understand if we can dedicate some resources in that area. We've certainly done targeted police patrols in other parts of town but

[12:10:10 PM]

their episodic and from time to time. And the kind of concern that councilmember tovo is raising, I share her concern and I'd like to see -- understand how we're addressing that and where the dollars are for it to follow up on her question. So then a couple of questions. So then the Austin public health dollars, so the line item for operations of the south Austin housing center, which line item is that in?

>> It's included with the emergency shelter.

>> Kitchen: So it would be in that 8.2, there would be a subset of that for operations, right?

>> Yes, ma'am.

>> Kitchen: And does that account for security, those operations? So in the definitions of operations. I know that we're still working on the service provider contracts, so we don't have the exact amount

[12:11:12 PM]

for operations, but I want to make sure our estimate for operations includes security. So does it?

>> It does not include Austin police department security.

>> Kitchen: I'm not suggesting APD. I don't know what the best way S.

>> But it does typically when we look at shelter operations it does include a line item for them to hire security, yes.

>> Kitchen: All right. So then does it also include the dollars for -- I'm not sure what the right term is, but for housing. Because house focusing support and the additional dollars to help people get into housing. I don't know if that's called rapid rehousing. For some people it might be three months rent, six months rent, whatever it is. Are those dollars included?

>> No. This only includes the shelter operations only.

>> Kitchen: So where are those dollars included in that budget?

>> Those dollars would have

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to -- could potentially come from either new projects funding or alternatives for temporary housing. Those are the two lines that they could potentially come from.

>> Kitchen: Okay. I'm confused. The resolution that the council passed said to put in the budget operations plus the dollars needed for getting joints into housing. So I know it's not going to be a whole lot the first year, because it won't be an operations October 1st. But I want to make sure the dollars are

in here and they don't have to find them somewhere else and they're set aside so we don't have to go find them. So where are they?

>> We can have a discussion offline about how they include those in there and we can get back with you.

>> Kitchen: Okay. That was part of the resolution so I'm expecting to see that. All right. If you could get back with me on that.

[12:13:14 PM]

Then I wanted to switch to the question around cleanups. And related to that is storage and bathroom and all those kinds of things. Do we have a bucket -- I think we said we had a bucket of dollars here. We don't know exactly yet how to address those concerns around -- we've said we want to address housing first obviously, but we've also acknowledged that there's some time period before everyone -- where we get to a more ideal place with regard to housing. So is there a bucket? I think I understand that there's a bucket of funds that can be used for those kinds of things for storage. I'm trying to understand where is that bucket of funds and is that separate and apart from the cleanup bucket or are we just looking at it altogether.

>> Councilmember, on slide 29 the alternatives for housing is the --

[12:14:14 PM]

>> Kitchen: So that's what that is.

>> There are many options for that source of funds, but that is the most flexible point because we want to get more feedback and get some additional input from our homeless strategy officer and from you, council, on how best to allocate those funds.

>> Kitchen: Okay. That's what we would be looking at there. So that's -- so the cleanups are separate and they're addressed -- I think I'm understanding. The cleanups are addressed on that other page, which I'm not finding it now. But that's on page 32. I got it. All right. Thank you.

>> Mayor Adler: Jimmy?

>> Flannigan: I did a town hall in my district on Monday about the budget, but we ended up talking about homeless for all the same reasons we're talking about it now. We streamed it on Facebook live if anyone cares to go watch it. But the question that I thought was really good from my constituents was what are

[12:15:15 PM]

the metrics that we think would change as a result of this spending? And I understand that might be something our homeless strategy officer is going to get to, but it's kind of a half roi question, half when will we know when it worked and how might we know those answers?

>> We can certainly compile the metrics related to this. A lot of what you're seeing is because of course the increase that we've seen and the number of people experiencing homelessness, just by that very nature increasing the funding allocated to those services, but we certainly will take a look at the metrics that would be impacted by these and inform council as to whether or not we intend to seek positive changes in those directions or if it might be more status quo.

>> Flannigan: Yeah. I'm not sure there's a right or wrong answer, but I think people would feel good we're looking at that and we're looking to change those numbers in certain specific ways.

>> As a side note, councilmember, there is a budget line item in here on

[12:16:17 PM]

slide 29 on establishing that performance framework that is really important for staff to be able to say how do we know if we're actually moving the needle on this. So once we get our homeless strategy officer on board, working closely with assistant city manager Gonzalez and shorter to be able to look at those goals and then making sure that each of our investments are making real progress on those goals.

>> Mayor Adler: Greg?

>> Casar: And I want to echo that I appreciate that many of these are earmarked for really good purposes, but I just want to lend my voice to the idea of providing some level of flexibility such that as we continue to scale and ramp up services that if there is one investment we were thinking of and it is just not as good as something else that has come up, that we have that flexibility. And while each investment will have its own constituency, I think we just need to be as aligned as we can to make the highest impact investments

[12:17:18 PM]

this year so that we're not just tracking how well we did against the metric, but that we're actually -- I mean, to me it's preventing folks from falling into homelessness and getting folks housed and in services as quickly as possible in the next fiscal year. To me these are the two things that I want to see happen.

>> Flannigan: If I could add to that real quick. I've been very reticent to do budget amendments, but for at this time. This is an area where I think I would be more open to getting the stuff underway, getting the homeless strategy. It's three months in and then we need to reallocate because of data or evidence,

then we need to real indicate that. Much like the way looking at the budget under tax caps. It's a new reality. We have to try, reiterate. I think we have to be willing to do that.

>> Mayor Adler: Ann?

>> Kitchen: I just wanted to confirm, so the contract to establish the performance criteria, that's what you were referring to, the 250,000? So the thinking is that that

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will be some kind of contracting with some kind of expertise as necessary to establish the criteria. All right. Thank you.

>> Mayor Adler: I think that's it. It's 12:20. Let's take a lunch break. What time do we want to come back? We have no executive session or anything like that. Could we come back as early as 1:00 for the --

>> [Inaudible].

>> Mayor Adler: Do not. So it's 12:20. Could we be back at 1:00 to pick back up the last presentation?

>> [Inaudible].

>> It may not be there, but it will be there by 12:30.

>> Mayor Adler: All right. 12:20. We're in recess until 1:00.

[12:57:33 PM]

[Recess]

[1:09:48 PM]

>> Mayor Adler: all right. We have a quorum. We're going to continue on with our presentations.

>> Flannigan: Start back from the beginning.

>> Mayor Adler: It's 10:9. We're still in the boards and commission room here on August 29, 2019. We're going to go back to the beginning and begin with an overview of the hotel occupancy tax.

>> Good afternoon. Carla Stefan, Austin convention center. I'm going to jump right in. We're going to start with an overview of the hotel T currently in the city manager's proposed budget. That total hotel tax is \$108 million. 70.2 is coming from the 7 cents assessment under chapter 351. You can see in the middle column there how the 70.2 million is distributed among the four uses, Austin

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convention center, tourism and promotion, cultural arts and historic preservation. Cultural arts and historic preservation are funded at the 15% state maximum. In that blue column you can see where we are supplementing the funding to visit Austin through the convention center with the \$9.9 million flowing through our budget. In the right-hand column, again, shows -- summarizes the uses within those categories that I think we're all very familiar with.

>> Flannigan: To be clear, that tourism and promotion is 4.5 plus 9.9.

>> Correct.

>> Flannigan: The totals aren't actually listed on the chart?

>> Correct.

>> Flannigan: Thanks.

>> As you may recall earlier this month council did approve a additional 2 cents of hotel tax so this chart represents the effect of that. If you recall that 2 cents is for proposed convention center expansion, so that top line shows the

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additional amount that we'll be collecting this year as a result of that. The other change, though, that you see is, as it's stated in the ordinance that council passed, we will be funding cultural arts and historic preservation through the convention center for the additional 15% of that 2 cents, so those amounts are shown in the blue column there, the \$3.1 million for each of those purposes. The final piece of the hotel tax is, again, the 2 cents that's currently being collected under chapter 334. So this just shows that you amount expected for fiscal year 2020 is at \$22.6 million. So as a result of this, and Ed can correct me if I'm wrong, I think staff will be bringing forward a budget amendment for council to consider and approve to adjust the hotel tax accordingly based on the 2 cents and you'll be doing

[1:12:50 PM]

that during budgeted option. That is correct. So after you take that action, if you do approve that amendment, the total hotel tax for fiscal year 2020 will be at \$122.8 million projected. This is just a snapshot of the growth of hotel tax that we've seen. It shows you the last four years of actual hotel tax. Again, what we're estimating to collect during this current year, fiscal year 2019. And then what we're projecting will be collected in each of the next five years. You can see how we layered in the additional 2

cents for fiscal year 2020. We do remain quite conservative in our estimates going forward, but if you do the math on this slide it does show that we're projecting in fiscal year 2024 to collect just over \$140 million in hotel tax. And I will end with kind of a discussion of our capital fund. So in addition to kind of

[1:13:51 PM]

just the overall interest in hotel tax, this continues to be another interest of council. If you remember, we created the capital fund as part of the operating budget in fiscal year 2018 in an effort to provide more transparency of this particular funding. This chart does already incorporate the additional 2 cents that will come through the budget amendment. That's on the third line. This represents the amount that would have normally been accounted for in our capital improvement project funds, so we have been using this funding to cash fund capital improvement projects at both the convention center and the palmer event center, but this is also where we have been setting aside the funds that we've been very strategic in planning for the proposed expansion. So the top three lines, at the end of fiscal year 2020, the total amount projected in this fund would be

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\$135.5 million. Those top three lines combined are the funds that both are for ongoing capital needs of the convention center but also the funding that we've been setting aside in preparation for the proposed expansion. I believe there's been some interest in trying to see this particular subset of funding in a historical perspective as well. I can tell you, because this fund was created in fy18 and only fully funded in fy19 that information is not at my fingertips to pull together today. We are going back through our capital improvement fund balances and pulling that information together so we should have that to council within the next week. We'll have kind of a display in the same manner year over year. And with that, I will turn it over to sylvia. She's going to walk through cultural arts and historic in a little more detail and we'll be available for questions.

>> Thank you, Carla,

[1:15:55 PM]

sylvia hart ab, economic rab. This chart shows a five year historical picture showing that the expenditures have increased and the expenditures are done in accordance with guidelines specific approximates such as core, community initiatives, cultural festivities and tempo, just to name a few. The cultural arts program has seen tremendous growth over the last ten years but as a senate snapshot in time five years you can see we have gone for 375 projects up to projected 623 in next year's budget. As a result of the outgrowth of the number of contracts discussions in the fall of 2018, staff along with the

arts commission are in a review process among -- with partnership of community organizations to determine

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how we will move forward with the cultural arts program due to the tremendous growth of this program. We are in the second phase of a five-phase process and we hope to bring recommendations back to council in the spring of 2020. The second program that is managed by economic development of course is the historic preservation fund and it is, again, as Carla stated, fully funded for the promotion of tourism through preservation, restoration and rehabilitation of city historic properties. Per your resolution that you passed we are funding those programs in accordance to the resolution of 70% set aside for the city of Austin historic facilities, 15% for future purchases of property, and 15% for the heritage grant program. On September 19, we will be bringing forth the

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recommendations of the properties that we're recommending for funding in fy20. As -- looking out for the next four years we will begin continue to follow along that resolution of 70% for city facilities, 15% for heritage grant and 15% for future purchases. EdD is working with internal partners to fully vet a list that could possibly take us out three to five years with properties. We want to make sure that the properties meet the requirements and are part of the matrix process so that we fully vet these projects. And we will be bringing back a final list. It may not be in detail per year, but comprehensive of the projects that we could move forward in the next three to five years. And with that, that concludes my presentation.

>> Mayor Adler: Okay. Thank you. Questions? Ann?

>> Kitchen: I apologize. I stepped in just as you were talking about what my one question was, which

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is -- and did I hear you right that -- what I was interested in seeing was projects -- a projection of projects over the next I guess five years or so to use the hot tax funding for?

>> Yes, ma'am.

>> Kitchen: The 15% and the historic. So we'll get that in time for the budget. Is that correct?

>> Well, definitely in time for the budget you will get the fy20 recommendations that we are bringing forth that have been vetted through our matrix process. It's in your packet as an appendix also, the list of projects for fy20.

>> Kitchen: But what about the projections? The reason that it's important to see the projection is just so that I understand if I don't see something on this year I can know that it's -- that it's being considered for future years.

>> Yes. We can get you a list of total projects. It may not be specific of fy21 or 22 but definitely projects on the list under consideration.

>> Kitchen: Okay. You said this but just so I

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understand, so when will you have the projection by year?

>> We are working internally with our departments to finalize. Some have costs. Some don't. Again, we want to put them through the matrix, do they fit within the criteria, et cetera. Hopefully by the end of October we'll have that list.

>> Kitchen: Thank you. I just want to express a bit of concern just because that's something we've been asking for for a while, and so if it's possible, if you could at least when you give us the list of -- did you call them eligible? Is that what -- when you give us that whole list, if you could please sort it in whatever way you possibly can to give us an idea of roughly what year we're thinking of. Understanding it's not a final matrix.

>> Exactly.

>> Kitchen: Can you do that?

>> Yes, we can do that with the caveat it won't be final until we run it through that matrix process.

>> Kitchen: Okay. City manager, we had asked for this over a year ago. I had expected it to be done by now. I'm happy to hear that we're

[1:21:00 PM]

going to have it now, and if I could just have some understanding of the general order of magnitude. Is it one year out? Is it five years now? Is it nowhere near ready? That would be really helpful.

>> Mayor Adler: Thank you. Natasha.

>> Harper-madison: I had a question about the selection process for the capital improvement projects. How were they selected?

>> So we met internally as a department team, with our various departments, pard, planning and zoning, all those that submitted projects, and we ran them through a matrix, are they shovel ready, amount of budget, the time frame it would take to complete the projects and vetted it with our law department to make sure that it met the criteria. And so that was the process we did for hot internal capital projects.

>> Harper-madison: Awesome. Thank you. Can I ask were there any projects in east Austin that were considered?

>> Not for the capital projects for this year but under the grant program we

[1:22:02 PM]

anticipate that there will be three projects coming forth through the heritage grant program.

>> Harper-madison: Thank you.

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

>> Alter: Thank you. There seems to be a discrepancy in the amounts between the -- there's 11.940 historic preservation and then the amounts somewhere else it says it should be 12-point something or other, 12.2. Is that different, the amount that goes into the general fund pieces that are being covered? Because there -- it seems like we have over 12 million that's going to cultural but only 11.9 historic and they're both supposed to be 15% and I'm just having trouble understanding that and I is that you in here as well. And I was trying to understand what caused that.

>> So both the cultural arts

[1:23:03 PM]

fund and the historic preservation fund receive one pointed 5 cents or the maximum. In the cultural arts fund we have ending balance that we are bringing forward to increase the expenditures.

>> Alter: And we have no balance from the historic preservation fund?

>> So there's a balance projected in the historic preservation fund for this year. We're projecting approximately \$5.5 million at the end of the fy20 in the historic preservation fund and we will consider that when we bring forth projects that begin next year.

>> Alter: Not -- I'm having a little trouble following. We're -- we had \$5 million we didn't spend this year.

>> Mm-hmm.

>> Alter: And that's not gonna be brought forward until next year rather than now?

>> As of this time because of the vetting process that we have gone through, some projects are not quite shovel ready. And so when we bring forth the list, if there's a

[1:24:05 PM]

desire, that could be an option. But, again, it runs through a process to make sure it's shovel ready, et cetera.

>> Alter: So I had understood that we were in this budget allocating the amount that was going to historic preservation but not voting on individual projects because we didn't have the full plan and now I'm seeing that we have specific projects that are outlined but, like, Ann and like Natasha, there are projects from my district I've been waiting to have funding that I'm told are in the plan but I haven't seen the plan and it makes it difficult to make these decisions and then to know we have 5 million that we haven't spent. These are not very expensive projects I'm talking about and it's hard to understand the trade-offs here that we're looking at.

>> Right. As per the resolution, we were to bring you back the full list that we're

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recommending in fy20 so that's what you will see September 19. Also there's a line item for future purchases within the budget that council can give us direction on.

>> Alter: So that's -- what you're saying -- so September 19 is post-budget. So in this budget we are -- I'm very happy to vote that we have this much money for historic preservation. What I'm not sure that arrive information for is to vote on which projects. Now you're saying that we're voting on those projects on September 19? I'm just not understanding the process.

>> So the budget that we will bring forward includes all the transfers to the historic preservation fund and the cultural arts funds per council resolutions but it's not the list of projects. We will come back to council for approval of the list of projects. We included it in the appendix here because there was a budget question pertaining to what are the projects we anticipate funding in fy20. That information is already out there. We're just including it here as -- I think these would be the list of projects we anticipate bringing back to you on September 19 for

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approval, but these projects won't be approved in your budget action on September 10.

>> Alter: Okay. Then for September 19 will we have a better sense that have five-year plan?

>> We will try to do our best between now and budget approval to get you that list.

>> Alter: Okay. Then will we also know for the heritage grants that are going to the non-city properties or being funneled through non-city planning processes, will we have --

>> You will also have that list too.

>> Alter: -- Information as well, and that was the list you're referring to that you said there were projects in east Austin?

>> Right. We're administratively working through the process to finalize those contracts and we will have the list by Wednesday. We will have that final list.

>> Alter: Okay. So I'm still not -- can you tell me again the answer to the question of the discrepancy in the amounts?

>> Maybe I can help. At the time we prepare -- so

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at the time we were preparing fiscal 2020's budget we were only using what we were estimating to be brought in for fiscal year '19. So normally and hopefully by the end of fiscal '19 we have more that we've collected than we even estimated. So the -- there is a almost two-year lag before anything that you collect over and above what you've estimated can be then included in a proposed budget. That is why cultural arts, which has a history of funding, has this rolling ending balance, that's rolling into next year's appropriations. Historic preservation fund will get there eventually but because this is the second or third year of this funding, it's just taking time. But it will eventually be in that same cycle. So I believe it was last year, when council did a midyear budget amendment to spend some of the excess

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that it had accumulated in cultural arts and it was because of that very reason. We had been collecting over and above what we were estimating but because of the timing of when we need to bring the budget to council, we just don't know those numbers at that time.

>> Alter: So we will see a roll-over from historic preservation funds from the last two years we haven't spent and then there will be a recalibration that will begin starting for hotel occupancy tax that will also go into that fund, none of which we're allocating in this budget process on September 10. We will be making some decisions on payments out of of that on September 19 and we will have more information on the five-year plan and heritage grants going to non-city folks at that time?

>> Exactly.

>> Alter: Okay. Thank you.

>> Mayor Adler: Kathie.

>> Tovo: First of all, I just want to thank you so much for the presentation. I had requested it and I apologize that I think I might have been the reason that you had to shift your times here today so thank you so much for that and I

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apologize but that was necessary. I wanted to say while we're on the subject of the balances in the different cultural arts fund and historic preservation fund, I hope that -- you know, when I brought forward the suggested allocations and did so in consultation with staff and community members and others, it was always with the understanding that there may be times where we need to make shifts. You know, if we had a really significant historic property that we were trying to acquire for example, it probably would take more than we allocate in a current year cycle so I think having a little cushion in that -- in the historic preservation fund allows us a little bit more flexibility in our acquisitions and it may even be the case if we're purchasing it for city use, which would be the likeliest scenario, that we would want to -- you know, we might need in a given year to tap

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into that 70% for city of Austin facilities to use for acquisition. I think one of the things that happened with our allocations that were in the city ordinance is that, you know, they almost took on kind of a life of their own and I don't think -- it took us a while to figure out those were just changes we could make in a given council meeting. And so, you know, I just want to be clear, I think these are the right allocations, but the area we have not funded well in this 70-15-15 was acquisition so I want to put in a measure for that because I'm hoping we will have good reason to have a conversation about how to use our acquisition funds for historically significant property that would meet the qualifications. Then let's see. The cultural arts five-year funding, I want to go back to page 9 for a minute. So in year -- as we look at cultural arts funding and I'm trying to imagine what we would have had in the

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historic preservation funding had we been funding that at 15%. So I think -- I know I could compile this from past budget years but it would be helpful to see what the exact amounts are. Is that already somewhere in one of my budget documents from this year?

>> The exact revenue brought in?

>> Tovo: The exact amounts for the chart on page 9.

>> Yes.

>> Tovo: Okay. That's in this year's budget somewhere?

>> On the cultural funding page it shows the actuals that have come in within the budget document.

>> Tovo: Perfect. I will look. For the last five years?

>> Over the same time period.

>> Tovo: So I will take a look at that. So in my memory I think in -- I think in 2017, 2018, we spent a million on historic preservation that year. Is that about right? Again, I can come up with this. I think it was only in last year's budget that we spent that full 15%.

>> Yes. And last year we brought forth projects that

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allocated -- well, last year and fy19, this yeah, 11.1 million in expenditures.

>> Tovo: So 2018 we did the full 15% allocation eventually because we did a budget amendment. 2019, same. In fiscal year 2017, that was the year that we were able to do -- that we first made this shift and we did about a million, as I recall. We didn't do full 15. Anyway, I can figure that out but I'm just trying -- again, I'm trying to get clear on, you know, had we been doing the 15% all along what would that have amounted to, just for my own reference. I think as we look at the projects coming forward on September 19 it would be great to have a recap of the projects we've been able to fund over the last couple years because I know oakwood was one and I'm unclear on some of the other -- I have all of this somewhere but I think it would be good to get a sense of where we have made allocations to city

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facilities, I would just be good to get a picture of that. And then my last question is on page 8. So these are the projected balances once we get to this place next year.

>> Correct.

>> Tovo: Where are we currently? Where would I find what those balances are currently?

>> Again, it's a moving target because we continue to collect more than we've estimated. Certainly we have a projected ending balance in -- for fy19. I can get that you information.

>> Tovo: Great. Have we exceeded it? Have we exceeded estimates?

>> Yes. We have one more month to go in the year, certainly, and so -- but, yes, we are ahead of budget.

>> Tovo: So I know you were talking -- you talked about how we use the ending balances in here so the expansion -- the expansion funds originated in hotel

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occupancy tax dollars?

>> So that amount represents the additional 2 cents that council just passed that we will start collecting, correct.

>> Tovo: Okay. So how much then -- does that mean there is currently not any in the -- I thought that the convention center had some cash reserves?

>> So the cash reserves you're speaking of will be in that top line of Austin convention center.

>> Tovo: I apologize.

>> That's our portion of the 7 cents. Because state law requires that that additional 2 cents that you just approved can only be spent for expansion, we will keep it in a separate line.

>> Tovo: I see, okay. Do you have any ballpark sense of where we are in terms of the Austin convention center's current ending balance?

>> I don't have.

>> Tovo: Is that what you said --

>> Yes, I can get that for you.

>> Tovo: Okay. And would you mind reminding me the venue project fund?

>> That was for the voter-approved project that was the north side of the convention center expansion

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in 2002 and a portion of the waller creek tunnel.

>> Tovo: And that also -- it's -- we can assume that that also has some of that 54.8 million that is projected to have as an ending balance next year currently exists?

>> Yes, the majority of it does.

>> Tovo: The majority of that exists.

>> Yes.

>> Tovo: How can that be spent?

>> That can be only spent on debt service, operations, or capital improvement projects within that defined venue.

>> Tovo: Which as you said is the northern part of the convention center expansion?

>> Yes, the voters approved \$25 million worth of debt for the waller creek tunnel so that portion of the venue has already been fully funded and expended. So the remaining amount collected within that venue goes towards the debt service that was related to the expansion and then the operations and capital improvement projects related, again, to only that portion of the building.

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>> Tovo: When do you expect that portion to be -- when do you expect that that portion will be paid?

>> It is scheduled to be paid off in 2029. And I understand as part of the financing analysis for expansion council is interested on when we could pay that off if sooner. Given, you know, what's transpired in terms of changes in allocation and changes in even project scope and construction costs, what we presented as a framework four years ago has changed quite a bit so we are continuing to work on that. We've, I think, communicated to council we can bring an update of that financing plan to council by the end of the year, so we should have a little bit more information and better informed. It won't be a complete answer because, again, one of the biggest components of the expansion project that has yet to be fully determined is the site assembly, how we will put together the development

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project in terms of land acquisition as well. So that is a key component to being able to predict how soon we can pay that debt off.

>> Tovo: And so the 54.8 -- thank you for that. So the 54.8 is earmarked and has to be spent because of our bond covenants on repayment of the debt. So as we have conversations about how quickly we can repay the debt so that that venue, 2 cents venue would be available for, say, Travis county you're welcome this is exactly the fund we're talking about right here?

>> Yes, it is.

>> Tovo: Okay. And then the convention center expansion, next line, I'm sorry, I know you explained this to me but I want to be clear, these are hotel occupancy taxes that have been put in reserves for potential upcoming expansion.

>> That represents the amount we expect to collect during fiscal year 2020

[overlapping speakers]

>> Tovo: I apologize. And the Austin convention center first line, are there any debt covenants that dictate how that money is

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spent?

>> So that portion of our hotel occupancy tax is pledged to the debt as well. So, yes, there are debt bond covenants that outline how it can be spent. It is the funding that is used for the majority of the operations of the convention center as well.

>> Tovo: Okay. So all of that -- all of it is pledged to the debt?

>> Yes.

>> Tovo: Other than operations?

>> All of the hotel tax is pledged to the debt.

>> Tovo: What does that mean exactly? If there's another non-convention center purpose, can it be used for that or no?

>> Again, it would depend on the bond covenants and the flow of funds. What that -- what that means when you pledge that source of funding to the debt, the very first thing that has to be paid from that source of funding is the debt. And then typically within -- or always within a bond document there's a flow of funds that then dictates how

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the remaining portion of that funding after debt service is to be prioritized and used.

>> Tovo: Thank you. I'm sorry. You've done very useful presentations about this in the past. It's just been long enough I'm a little fuzzy on that. But it does mean, then, that if within that 44.9 -- between the venue project fund and that first convention center fund, you could meet the debt fund obligations and anything underneath it and there could still -- I mean, it's not suggesting that there might not be other opportunities we could put that money to? It would just have to go through that? Like, you have to pay your rent first.

>> Correct.

>> Tovo: Then your food and then -- it just kind of goes through that same kind of hierarchy.

>> Correct.

>> Tovo: Okay.

>> I will just say, again, from a convention center standpoint, this almost isn't uncommitted cash in our mind because we have been strategic about planning for expansion.

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So anything that council would decide to do outside of using it for those purposes would obviously impact our financial expansion so we'll just have to work through all of that if that transpires.

>> Tovo: If there were an acquisition of land that would support the general master plan or convention center it could potentially come from one of these funds if it were legally eligible but it would have to not jeopardize the flow of funds required by our bond covenants?

>> I would say it could potentially come from the first line or the third line if it were directly related to expansion of the convention center.

>> Tovo: Okay. Thank you very much. Thanks very much for that explanation.

>> Flannigan: On slide 12 where it's doing the four-year projections for the historic fund, that excludes the new 2 cents, right.

>> Exactly.

>> Flannigan: That doesn't include the 2-cent?

>> Not yet.

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>> Flannigan: That's what I thought. On the projects list for historic, I had also been asking for a full list and thankfully I had an opportunity to meet with some of the staff for this program yesterday, and was really glad to hear that there had been extra effort put into identifying projects in east Austin and in other underserved communities and that was responsible for some of the delay. You know, the types of facilities where the folks in charge have access to the halls of power were certainly the first ones to show up, but I'm glad to know we are prioritizing equity as we build that list before it comes to council with those decisions. So thank you for doing that. And I would just reiterate what we all did, the prior council meeting, you know, where we all want to see the 334 spent down and open up that opportunity and I would hate to mess too much with

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the capital fund ending balances until we have a pretty clear vision of that in relationship to our hopeful good partners.

>> Thanks.

>> Pool: I don't know, who maybe Mr. Van eenoo, when we get a forecast of percentage increase in funds like midyear, I remember that this fund was expected to be pretty flat or to be flat. Looking at this now, would you -- how would you describe the hotel occupancy revenue coming in as flat or innocenced or below?

>> I mean, it's a revenue source that we always -- like, almost every revenue source we try to project very conservatively. Anything like cultural arts and historic preservation we don't want to say we think we'll have 12 million and turns out we only have 11 million, who is going to take the cut. We never want to be in that

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situation. Almost always we're going to see more revenues coming in than what we forecasted and certainly this year is the same. I think we might have projected 1% growth in our hotel taxes this year. We're maybe trending more like around three, as we looked to fiscal year 20 I think we're, again, projecting 1% growth. It would be great if we continue to see growth in helmet rooms that we have seen, but we certainly have started to see that growth rate level out, and so -- am I right on that, 1% growth is what we're projecting for future years conservatively?

>> I believe we are projecting 1% over our current year estimate, which is higher than budget, so I don't remember the calculation of the percentage growth from familiar '19 budget to fiscal 20 but it is 1% above our fiscal '19 estimate. I believe in our forecast in years 22, 23, 24, we are looking at a 3% growth rate right now.

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We've continued to adjust that accordingly based on our actuals and the trends.

>> Pool: I think that's good information. And maybe that -- you could add that to the list of additional information that other councilmembers have asked for.

>> Sure.

>> Pool: Those of us who are asking for the specifics, of course you'll share it with everybody.

>> Yes.

>> Pool: Great.

[Laughter] Let's see. Looking on slide 10, we've shown really remarkable growth in real numbers of cultural contracts, so I was curious -- and this could be another piece that you come back to us either through this verbal q&a or a written q&a. I'd like to note the average amount of the contracts and the age of the contracts. I know some folks have been receiving cultural contracts for a really long time. I was on the arts commission back in the '90s and I

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remember struggling with a budget for contracts. It was like a million dollars and we're wavy on that now, which is part of why we have so many more people requesting access to the program, but we're also a much bigger city so naturally there would be a much larger growth in our creative community looking for both the hand-up to begin and also the funding to continue. So I think that's really important -- that's a really important aspect of our cultural contracts program, the maturity of the program, which I expect -- fully expect that our heritage preservation contracts will get the -- the historic preservation contracts will get to that place too. That program is so new. So the average amount of the contract and then the age of the contracts. I know there are categories of the funding process is also a lot more complex than when I was learning the ropes.

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Probably 30 years ago. So I think that would be helpful to get us apprised of how that's working now. I'm hoping that the disruption that we had in the cultural contracts programming's allocations last year isn't going to happen again this year.

>> We're in the second year of the II year biennium --

>> Pool: All is quiet on that front?

>> Yes. And we're having conversations with the community on how we move forward and we will be bringing those recommendations back.

>> Pool: That's great, that's great. I like it when folks can spend their creative energies on performances and producing things rather than on trying to figure out how the city is changing its process and where they end up in the maze. There's one line item here that I'm looking at on slide 5 with cultural arts, and we've talked about this -- city manager stepped out.

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We talked about this during our budget allocations last year, and also when we were talking about historic preservation funds. Where the money for the overhead, the staffing comes from. And I believe it was direction from the dais that we separate out the EdD staff salaries from the cultural contracts allocation and rather -- and instead of reducing the amount to cultural contracts, which go out into the community through this process here with the 623 different contracts, that that money instead be taken out of just regular hotel occupancy revenue, like the convention center staff is paid. And so I don't see that that happened this year but that was definitely something we talked about last year during our budget discussions and also something that I brought up to the city manager to look -- to shift that. And the basis for that shift

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is the fact that monies are finite even though they're much larger than they used to be, but they're still finite, and I would like to see a good justification for why the cultural arts staffing comes out of that allocation when it doesn't look like we're doing that with any of the other programs here? Well, historic preservation is the only other one, 15% budget, but we have a limiter on how much can be in that fund, and I don't -- I would prefer to see that 100% of those funds go to cultural contracts, in particular because I believe we have funding through hotel occupancy tax revenue to fund the EdD staff. If you guys could look into that and let us know where that stands.

>> Currently the staff that manages the cultural arts contracts, they're funded with hotel occupancy tax.

>> Pool: That's not what

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this looks like on slide 5.

>> Within our 15%, yes.

>> Pool: Yeah. So okay. So my point stands, okay. Great.

>> Yes. I understand.

>> Pool: We're paying for city staff out of the culture contracts 15% budget.

>> Tovo: Then the same is true for historic preservation?

>> Pool: Well, if we are, it's not listed on here. It looks like the 15% is going for projects 70-15-15, grant program, historic acquisitions and city of Austin -- it doesn't say EdD staff.

>> We need to make that correction because we are paying staff from the 15%.

>> Pool: So that goes to the conversation that we had last year, and I'm pretty sure that the direction that came from the four of us that met with the city manager in the run-up to crafting the 15% bucket was a couplefold. One of them was the biennium

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expended balance would roll into next year.

>> I don't recall this conversation.

>> Pool: The one I'm talking about is a conversation that four of us on council had with the city manager. Oh, the city manager isn't here right now. But he's hearing what we're saying.

>> Got it, okay.

>> Pool: So the expectation was there would be the rollover. Unexpended balance and then also that staffing would be funded from hotel occupancy revenues. Not from the 15% bucket. Now, if there's a compelling reason to do that please tell us. What caught my eye was the fact it looked like it was only funded out of cultural arts and I specifically talked with the city manager about that last year, about shifting that. Now we know that EdD staff working on historic preservation is also being funded out of that 15%. Again, I don't think that was our intention, those of us who met with the city manager in the run-up to this discussion. So let's get some clarity around that.

>> We can get that.

>> Pool: I don't know how

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much or how little that is going to be. I don't know how big the staff is so I don't know what the dollar figure is. So let us know what that is. I imagine it's maybe a couple hundred thousand dollars, maybe?

>> Just shy.

>> Pool: Yeah, I don't think it's massive but in the grand scheme of things when you have a cap on how much can go to cultural arts and historic preservation, I would rather those be directly to those programs because we can fund the staff differently. And I think -- then you clarified that the new 2% was not in these -- the four-year projections or the projections that are on pages 4 and 5, right? Because I was trying to add up. It should be up to 15 million. We have 11.9 and a new 3.1.

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>> Yes.

>> Pool: So with the lag that you're talking about, Carla, you expect to see these numbers on 12 jump up -- let's see. Fiscal 2021, so it should be at a minimum, using your projections, then we would add 3.1 million to each of these? With the additional projection of increased growth up to 3% on top of that?

>> Correct.

>> Pool: Okay. That would be useful to see because these look really flat. And on the other -- on the other side we were talking about a fairly large increase in real dollars. But we don't see it reflected anywhere. Okay. Thank you.

>> Mayor Adler: Alison.

>> Alter: Thank you. I'll try and be quick. So the detail on page 5 for the new 2%, that is not being collected yet because they still have to go through the process of adding it into their system at the hotels. That will start being collected in a couple

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months, and then we will have the collection for the year and you're anticipating a midyear budget amendment that will deal with those funds? Is that what's happening?

>> The transfer -- to appropriate for the transfer this 3.1, that's actually going to be part of the staff amendment that you consider during budget adoption, not midye.

>> Alter: Okay. So that will be in -- so we will be capturing that. And then it's my understanding that for cultural arts, for the cultural arts grants, they were short a certain amount of money to do what they wanted to do. Will this then help resolve that shortage?

>> So for fy '20 the contracts are level as they were in fy '19. We're now going through a process on how we move forward considering the growth and we will factor all of that in when we bring back recommendations. Right now we've met with the working group and been able

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to level set all contracts.

>> Alter: Great. Glad to hear that. And then I know this is not necessarily part of our budget process. I'm not sure what the appropriate way to do this is, but I would really love to give some direction to go talk to the hotels as we are going to be imposing a new 2% tax that maybe they should put their 2% tip in place at the same time so they don't have to do this twice and that that money should begin to flow to help us with our homelessness issue right now. I don't know if we can try to jump start some of those conversations since we have put some skin in the game to initiative the additional 2% that it would be

very reasonable for our staff to go and ask them to do the same. Obviously we have to do a lot of economic and financial analysis, but I think that would be very good-faith effort on their part and I know that they're concerned about the

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challenges that we're facing. They had talked about a 1% that I really think it should be 2% and it would seem to make a lot of financial sense to just make one change to the taxes rather than have to go through it twice in one year.

>> We have had three stakeholder meetings, I believe, since council passed the resolution in may. With the hotel community. And then the homeless service providers as well. And those conversations are ongoing. Behind the scenes, we are working on drafting the documentation council would need to move that forward and I believe everybody is eyeing a November time frame to bring that to council.

>> Alter: Okay, great. I really hope they will consider jumping right to the 2%. It's still a very small amount of money that would be flowing to help with the challenges that we have, but I think it's important that everyone in the community

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steps up particularly with the revenue caps to help us and this is one way the hotel community can do that.

>> I will pass that along.

>> Mayor Adler: Jimmy, then Kathie.

>> Flannigan: I think it's important to remind the public that the tpid requires the consent of the hotels so it is a negotiation and a conversation with them. I don't think there's any tpid in Texas that is engaged in a broader conversation in the ways that ours will be engaged so I think that's -- that's something that's really good, and I think that the industry is stepping up in a way that the industry is not stepping up in other communities and I think that's pretty good. We should always ask for more. There's no reason we can't. But I also want to make sure the public understands sometimes there are folks -- I've seen, you know, promoted posts on Facebook and such that demand that the city require them to do things. That's just not how the state law works on that question. I also -- I think it's important to note that I'm comfortable with things

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being said that they were direction from the dais. When it was four council members in a private meeting. I'm generally uncomfortable with direction from the dais. As a tool. I have found myself in situations where I did not agree with direction. It was not attached to a resolution. It was not amended language. It was not the type of thing where our process allowed me to amend direction. Statements were read from the dais. I don't think it's a good way to run a council manager form of government. So I think we would all agree that no one wants four of us in private meetings with the city manager dictating policy. Because that would go wrong on a lot of fronts for a lot of us and a lot of questions. I would really ask that we be really carefully about how we communicate those types of moments to ourselves and to the public.

>> Mayor Adler: Kathie.

>> Tovo: Thank you. I think that's an important point, and I agree with you. I do think -- I think we need to look back at our resolution that did pass council for a description of

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that, and it may be that we need to add some clarity around the allocations of those 15% and 15%. That's where I think things may have gone haywire. With regard to that with regard to the point that councilmember pool brought up. Page 5 I wanted to ask a clarifying question and I think you've answered at least once, I'm sorry. The middle light blue column is the amount we can anticipate receiving because of the action we took in August -- earlier this month.

>> Tovo: Seems like four months ago at this point. So 15% brings us to 3.13.1. How is the 9.9 million -- what is the floor plan that's generating 9.9 million and resulting in that allocation for visit Austin?

>> So when council made the

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change in the allocation and fully funded historic preservation, we attempted to find ways within the convention center budget to keep visit Austin whole within their budget. So to come up with the amount we first look at what visit Austin is budgeting for convention sales and services directly because that is directly tied to the operations of our facility. So we take that amount and we fund it within our operations line item of our budget. So come up with the additional amount that we then transfer from convention center into the tourism and promotion fund we go back and calculate how much their budget would have been had council not made a change and we decrease that by two million dollars because at the time of all those conversations visit Austin was willing to kind of contribute to the funding

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of historic preservation by giving up about two million dollars a year. And then take the amount that we've identified as direct convention sales and services, subtract again the amount they're getting through their straight allocation through the hotel tax and the remainder amount in that equation is the amount that we transfer to tourism and promotion to supplement their budget.

>> Tovo: So I guess when we were having this conversation a couple of weeks ago we talked about this was -- we didn't -- there is not a standard allocation that we have voted on that results in this 9.9 million.

>> Correct.

>> Tovo: So this is what the staff are proposing for this next year.

>> Correct.

>> Tovo: Of the money that we all voted on that we allocate 6.2 to cultural arts and historic preservation, those are our maxes, and that we take the remaining -- this portion of the remaining funds and allocate it to visit Austin.

>> Yes. And if you look at page 4,

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this isn't as a result of the increase in the hotel tax, this is what is automatically flowing from our allocation of the seven cents. So this isn't as a result of the change council made earlier this month. This is just showing that visit Austin gets supplemental funding for their budget from the convention center now, not directly from the hotel tax allocation.

>> Tovo: Okay. I see. So the hotel tax allocation goes to the convention center and the convention center -- this is part of the portion that the convention center allocates to visit Austin.

>> Correct.

>> Tovo: I want to be clear because as we have these conversations I think it's really important to note, every year visit Austin proposes a budget and we have an opportunity in our discretion to approve it or to make changes. We've always had the ability to do 15% for historic preservation. When we made that change it's not about making people whole.

[2:02:58 PM]

I guess I appreciate and I understand why you've used that term, but in my mind it also happened at the time where your hotel occupancy taxes were increasing and increasing and we made a different

determination that year and subsequent years about how we were going to allocate that funding, which we have the discretion to do. So you know, I think we all -- I would just say that I think that's part I don't have for so many years during these conversations there was a reluctance to make any changes to the hotel occupancy tax because it was expressed as we were defunding visit Austin or defunding somebody else. And that's just not -- that's really I think an unfortunate kind of framing. Again, I'm not saying this in a critical way, I just want to be clear that I regard the 9.9 million as something we should discuss about whether that is the portion or not that goes to visit Austin. And I think as I appreciate that there wasn't as much

[2:04:02 PM]

funding going visit Austin because we made what was in our statutory ability to do because of a larger commitment to historic preservation, but the overall funding, it's my understanding the overall funding to visit Austin has continued to increase. So it was continuing to increase, it just didn't increase at the same rate because we made an additional allocation. Is that accurate?

>> I would agree with that, yes.

>> Tovo: Okay. Thank you very much.

>> Mayor Adler: Okay. Anybody else? Is your light still on? Okay. Thank you very much. I think those are all -- no, we have two more highly things to touch base on. Ed?

>> So that advances us to slide 34 of your slide deck. It's our final presentation of the afternoon, which is to provide you with a budget update. Did you just want to mention too, though, that we -- while that's coming up we did want to create space in today's discussion if council felt you needed it

[2:05:03 PM]

for our financial policies. We presented those three proposed changes to our financial policies at our August 22nd work session. That was a very rushed conversation so I included those slides in the appendix and I would just throw that out now. Again there's space here today if you wanted to provide any direction to staff on those proposed financial policy changes. But I do -- can you advance me to slide 34? I did want to provide you with some quick numbers updates. As you know when we presented the budget to you our certification from Travis central appraisal district was delayed. We have since receive certification. We use that certification when you set your maximum tax rate. And so I just wanted to provide you with a quick update. This is not an update. You've seen this graphic before back when the city manager presented the budget to you on August 5th, but this is just to set the context in the budget we presented to you we were

[2:06:04 PM]

projecting we're balanced in fiscal year '20. In order to begin addressing the deficits we project for the future, we have this proposal in place to spend \$15 million of fy20's revenues on one time expenditures. That louse us to also project -- allows us to project a balanced budget also for fiscal year 21. But get past fiscal 10-1 and we still have some budget gaps, some budget challenges. So a little bit of context for the update I'm going to provide you now. This table shows you the -- what we were working with tcad estimates prior to certification and where we sit now with certification. You can see on that first line total taxable value, the entire tax base for the city of Austin came in unusual, a little bit lower than what tcad had estimated. Still a significant growth. I think it was nine percent total growth in our taxable valuation, but we had estimated 167 billion and it came in at 166 billion.

[2:07:06 PM]

That plays through the tax rate calculations. Importantly, though, despite that overall falling short of the estimate for taxable value, new construction came in over \$100 million ahead. That's important because that affects -- is one of the key determinants of the amount of revenue that we have at a given tax rate. Median home values we had estimated the median home value was going to come in at \$323,000 based upon the projected overall growth in the troll tax roll. Getting the data from tcad, that number came in at a little bit over \$317,000. That plays into the median taxpayer projected bill impact, which I'll show you on the next slide. So getting to the rates. What do all these numbers mean in terms of our rates? When we proposed the budget to you we had projected a roll back tax rate of .4386 and that's the same thing we proposed at. With the changes in the valuation, with that lower

[2:08:08 PM]

total valuation, the new roll back rate is 0.4431, so a little bit higher. That is what you all set the maximum at a week ago when you did the set the maximum action. With the additional new construction, though, we are projecting that we could actually balance the budget that had been proposed to use slightly below that roll back rate at .4416. A little bit higher rate than we estimated in the proposed budget, but lower than what the new roll back rate is. And then the final number I would present is that at the roll back rate with the additional new construction value, we would generate an additional \$2.5 million revenue than what we had anticipated when we put the proposed budget together. In regards to the major rate and fee changes, we had two changes here so far. I'll start at the bottom actually in regards to the property tax bill. The net effect of all these

[2:09:08 PM]

changes with the tax rate being a little bit higher, but the median value coming in lower than what we had initially anticipated, that property tax bill has come -- has changed a little bit. It's 7.64 cents monthly change. And as was mentioned yesterday during the Austin energy rate hearing, and there was a memo on this, Austin energy has revised its power supply adjustment and it's ERCOT remember latory charge. The impact is \$1.33 increase for a typical ratepayer. So bottom line this slide, if you look at it in the budget projected at 2.5% overall increase for the median tax and ratepayer and it's now at 2.7%, really being driven by the increase in the Austin energy power supply adjustment, which is a pass-through cost that they don't have control over. So that's the update I had. I'd be happy to answer any

[2:10:10 PM]

questions you may have.

>> Mayor Adler: At a really high level I'll repeat what I said this morning. I think that this community would support an increase in a clean community fee. Focused on cleaning some of the encampments, some of the overpasses, some of the parks, some of the other places that we see in the city. And my understanding is I think that for every -- for a 10-cent increase rather than putting it by 65 cents, putting it by 55 cents I think generates like \$450,000. Is that about right?

>> Noose my that's my understanding.

>> Mayor Adler: But going with the conversation earlier about the work programs and the like, I think it's a real opportunity for us and I think we should consider that. Leslie and Alison and then Jimmy.

>> Pool: Thanks for bringing the clean community fee back up. I would even like to look if

[2:11:12 PM]

we lowered it by .2 so that it would be \$8.50 instead of \$8.30. That would free up about a million dollars it sounds like for the specifics that we know that we need for especially homelessness encampment cleanup. I'm curious to know if anybody is looking at or, Ed, if you've runny numbers on if we were to raises the exempted valuation of senior homestead, the senior and disability. I think we're up to 88,000 for that.

>> We're at 88,000. We haven't run those numbers yet, but we can do that quickly and get the information out to you.

>> Pool: I think that would be good to see. I don't know what number you would run it at.

>> We'll do it in thousand dollar increase increments and show you what the revenue S.

>> Pool: Show what is it can be for \$1,000 and we can do the math. Thanks T.

[2:12:12 PM]

>> Mayor Adler: Alison.

>> Alter: If I'm reading slide 36 right we have an opportunity if we chose to go up to the rollback rate to have an additional 2.5 million of ongoing revenue?

>> That's correct.

>> Alter: What is the impact on that through future budgets? So we went to the rollback because we were trying to make sure that we had resources moving forward. Do you have those numbers?

>> It depends what ultimately was done with those dollars, whether or not it was put in -- if we were to go to the rollback rate would we put the dollars in reserves, spend them on run time things or recurring expenditures. If we spend them on recurring spotty showers, it doesn't change the picture on slide 35 at all. If you allocate the dollars towards one time expenditures, then those future deficits would come down by the two and a half million dollars.

>> Could you say that one

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more time?

>> In terms of addressing -- can you bring the slide back up, slide 35? So on slide 35 in terms of addressing those red bars in fiscal year '22, '23 and 222004, staying at the roll back rate, if that money was put into reserves or expended on one-time things I would be able to come back with a graph that shows those gaps being smaller. If you were to allocate the dollars to recurring expenditures, things that are going to not just be in fy20, but also going to be in future budgets, then it would not change those deficits. The revenues would be higher, but the expenditures would also be higher.

>> Alter: Okay. Thank you. I think that -- that provides us some wiggle room that I think is going to be very helpful. I'm hearing a lot of us who are interested in the mental health investments.

[2:14:15 PM]

There are some other things that I think would be good to make, and I for one would rather use that money than do a hunt into our -- our police force staffing moving forward so that we could address some of the needs for the land management and homelessness stuff and the mental health, and I'm very comfortable with not -- you know, we would still be reducing the clean community fee, but maybe temporarily not doing it as much so that we have some resources for the workforce programs. I will say that we are trying to get some additional information on some of the wildfire needs. I will put this up on

the message board, but you each should have received a message from chief baker with a link to your district's profile with respect to wildfire. We've been working with them

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for awhile and I really hope you will take a few minutes to look at the risks that we face that are specific to your district and how widespread they are and how great they are. And the budget as currently proposed has no additional investment into wildfire. It had no investment last year, the year before. We did put some things in, and I think that we may need to address that the challenges we're facing with homeless encampments in parks and greenways poses an extreme risk for wildfire. We have a burn ban, but that doesn't keep people from lighting fires and not that anyone is doing anything on purpose, but it is a risk that we are incurring and I think we need to be very mindful of trying to set ourselves up to prevent wildfires.

>> Mayor Adler: Jimmy?

>> Flannigan: When you see on slide 36 and you talk about median family income is that a number that tcad provides you?

>> They provide us the data.

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We do the analysis ourselves.

>> Flannigan: So you're including outside of tcad properties when you're calculating the median?

>> No, this is just based upon the tcad data?

>> Flannigan: And what is the population of properties you considered when calculating this median? You're not including commercial properties, for example? Are you including duplexes? Are you including a home with an Adu? Like how --

>> It's residential homesteads.

>> Flannigan: Homesteads. Okay. So if there was a homestead that was a condo is that included in --

>> If it's a condo that's a homestead then it would be included.

>> Flannigan: And then on 37, this has been just a picky thing that I think I brought up the last two years is really understanding what typical ratepayer means. We're majority renters as a community, so are we talking about -- it just gets confusing for the public because I certainly had constituents say, well, my

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residential customer usage is not just 860 kilowatts, even though I'm the median home value. So what I have found to be valuable when I have expressed this to my constituents is having like use cases, like three examples. Here's a renter in an apartment complex, here's a family in a single-family home, here's a person who lives in a building or -- so that people can understand exactly how that lays out. I'm not asking you to do that for this budget, but I think that would be a good practice moving forward so people can see -- people like me have this impact.

>> I'd like to -- maybe I could meet with you and have some more discussion about what you would like to see. We know it's a majority renter city, we just haven't come up with I believe a good solution for that. Because on the other hand the property tax bill for renters would show zero but aall know that's not the way it really works and we don't have a good mechanism to say this is what the tax burden is on a renter when they don't actually see their tax bill is paid by a landlord. So I'd love to have that conversation with you and

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come up with some ways to be able to address that.

>> Mayor Adler: Okay. Ann?

>> Kitchen: A couple of questions. So I just had a few questions about the policies on a-11 and a-12. And if these are better answered offline that's fine. I'll just pose what the questions are. So a-11, which is the changes to the ebf fund reserves, our specific question is it is this really why we're going from a stop loss reserve to actually setting aside dollars. I'm wanting to understand the impact of that. I'm assuming there's been some analysis that perhaps that costs us less or it addresses our risk better. Is that the thinking?

>> This is really -- the thinking on this is just a cleanup item. We're not trying to change anything. So on the first line we do have a stop loss policy so

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that's like a single claim. I believe it's anything over \$500,000 we do have a stop loss policy. That the city pays for. But in addition to that, we include -- we set aside a reserve level. We've called that in the past a stop loss reserve. That's been an actuarially determined thing. Each year the actuary says I would recommend this amount of a stop loss reserve in case your claims history comes in higher --

>> Kitchen: I'm sorry, I maybe read that wrong. I thought we were paying for a stop loss policy for the employee benefits fund.

>> We are. That's the first sentence that isn't changing. The first sentence of the -- that will continue to happen.

>> Kitchen: Right.

>> What was called a stop loss reserve was an additional reserve that we set aside just in case our experience, even with that stop loss policy, if that experience came in significantly higher than what we expected, we want to make sure we had a reserve. Over the last 10 years we've

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looked that reserve is always around five percent. So instead of being vague and saying it will be based upon what the city's actuary recommendation is since it's always 10%, we're just wanting to make it explicit so it's clear what the policy is.

>> Kitchen: So the impact of this is not that we'll be putting more dollars in the reserves than we have right now.

>> There's no -- no, it's exactly the same. We're trying to hopefully make the language clearer about what our reserve policy is. It's 10%.

>> Kitchen: Okay. And if it's-- even if it's more than recommended by the actuary in any given year we're still going to stick with 10%?

>> What's what your recommendation is. I can provide you the data, but what we've been budgeting for reserves as always been right around that 10%. Say between nine and a half, 10 and a half, somewhere in that range.

>> Kitchen: Okay. I just want to make sure that -- this is important

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obviously, but I wanted to make sure that -- of course, these can be changed. I just wanted to make sure that we weren't locking ourselves into setting aside a greater amount than we might need. That's all. So so but you would view there if something were to change with regard to our needs, we could do back in and adjust it.

>> Absolutely.

>> Kitchen: Okay. So the reserve and the cash balance both reflects current practice, right? That's what you're saying?

>> Yes.

>> Kitchen: Then the second question is about a-12. And really my question is more just about the first item there, increasing the cap from five percent to 10 percent. So I'm just wanting to understand the impact of that. I'm assuming that this is

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optional and it just allows unconscious to do it in circumstances where we might choose to. Is that the thinking there?

>> Well, we were bringing these recommended changes to tif policy back to council in response to a council resolution and that council resolution asks us to redefine our policies in ways that more explicitly allows them to be utilized or sets them aside to be utilized to incentivize affordable housing. We are currently at 4.6% of our total tax base is in a tax increment reinvestment zone. So if all intents and purposes under your current policies you would not be able to do any additional tifs. State law's limit on this is 25%. We've looked at the city of Dallas. They've recently increased their policy level from 10 to 15%. We're proposing here to go to 10% to provide some additional flexibility to do future tifs that met the

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objectives of the policy and of city council if you wanted to do so.

>> Kitchen: Okay. So I know we've talked about this. I'm just reminding myself. So at this point in time if we do choose to go to a high percentage that would come back to us for any particular tif.

>> All of these policy changes have been included in the budget document.

>> Kitchen: If we're going to create a new tif or something.

>> If you're going to create a new tif that would absolutely have to come back to you. And if we don't change the policy now we would have to change it at the time we brought the tif back to you.

>> Kitchen: Okay. We don't have -- just as a reminder, we don't have any proposed right now that would be more than five percent?

>> I'm not aware of any.

>> Kitchen: I'm not either. I'm just asking. All right. Then my last question is just -- is really a process question. I think we did this last year if I'm remembering, but is the staff going to have an amendment process for the recommended budget, and if so when would you guys be

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doing that? In other words, are you going to bring forward an amended budget?

>> Councilmembers, I think there are two things. One, we will have a process that we'll recommend in terms of how amendments could be brought forward. So at least they've been vetted by finance and that there's some awareness of them before they come to the dais on the 10th. But based on the conversation today and as follow-ups that we will have from today, our goal would be to have a general framework for how some of the investments that were talked about, potentially using this 2.5, for example, on the mental health conversation we had, this might be a framework to consider. And so we'll at least have something that could be used for additional dialogue on the fourth for next Wednesday, but again it would just be for consideration. But I think as we do another round of one on ones after

[2:25:27 PM]

today's meeting to help to craft the conversation for the fourth, that will be part of that discussion. But I would like with your permission to at least be able to set the table to say this is generally what we're hearing, but these are some of the investments that might be put forward, but again, they are only for your consideration.

>> Kitchen: Well, it was very helpful last year. I didn't mean to imply that it wasn't. I thought your process was very helpful so I was hoping that you would be doing something similar this year. Thank you.

>> Two final notes. One that indication that we're still developing what will be on the agenda for the 4th. We have some indication from the conversations we had today, but please let Ed and I know if you have specific topics that you do want to cover at that additional budget work session for next Wednesday. Then it's worth repeating and Ed if you can go back to slide 35, we have been very planful in this budget to

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make sure that we are not only addressing the needs this year and next year, but really being thoughtful about what the future -- specifically what the revenue caps are going to be on our budgets. These projections are without any new investments. And we baked in some assumptions around our police and fire staffing, with our fire stations and with the police staffing plan, but for the last two years we have been fortunate to make many new investments that are not shown on these charts. So we have got to ensure that we are being thoughtful about not only how we make decisions this year, but as we move forward into the coming months of this next calendar -- this next fiscal year how we're going to be planning for these additional deficits that we're projecting. This is I think said said the first time that we are

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projecting a budget that does have deficits in the out years. That's not something we're comfortable with and we just want to remind the council and community that this is something we need to be laser focused a and it's not lost on us that this is a critical juncture for our community to be able to ensure that we're addressing these appropriately.

>> Mayor Adler: Okay. I think that's everything that we have. It is 12:28 and we -- 2:28.

[Laughter]. 2:28 and we're done. Thank you.