

# Audit and Finance Committee Meeting Transcript – 10/23/2019

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[9:35:43 AM]

>> Alter: Good morning. I think we're going to get started. My name is Alison alter, and I am chairman of the audit and finance committee. It is 9:35. We have a quorum with council member pool and council member Adler and tovo. We'd like to get started with approval of the -- I guess general citizen communication first. We have Mr. Jacob here. You'll have three minutes to address the committee. Oh, Mr. Flannigan is here as well. Thank you. >> Good morning. Thank you for hearing me this morning. You have in front of you, first, a photograph that was taken by -- oh, I should introduce

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myself. I'm Jeffrey Jacoby. The photo that you have in front of you is from the Travis county regional landfall taken by one of our staff members who is out there for about five minutes. And you can see that there's a massive bird flying directly over the top of that landfall. So I'm here this morning just to raise this issue for the committee. In part, because of the capacity for oversight of boards and commissions, and also in part because the airport is part of the city's assets. This expansion will bring it within 13 feet of the flight path at abia. This facility has a record of poor performance. It has issues with vectors, meaning birds. Birds and airplanes certainly don't mix. You also have before you a study

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prepared by an aviation expert. It's essentially laying out the way that the law -- what the law says, what federal regulations say about the intermingling of trash facilities, birds and what is or is not allowed. Austin Bergstrom has a high incidence of bird strikes. This is probably the example that stands out the most to me. Bergstrom has more bird strikes than San Francisco international airport. But San Francisco has 277,000 more flights every year. This facility is part of the problem, and again, it's applied for an expansion that will extend not only its capacity, but also its life span by approximately 14 years. And so that's essentially the

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reason why I've come here today. The city's aviation department did issue a statement of no objection, and I would certainly like to look into -- you know, cited that statement, which in turn used every day in part its assessment to no hazard to aviation. And so I do believe that the city of Austin has a vital role to play in investigating whether or not this expansion is the right -- is the right thing to do here for our city, for our airport, for the millions of people who come through every year. So I just wanted to bring it to everyone's attention this morning. >> Alter: Thank you, Mr. Jacoby for bringing this to our attention. I had an opportunity to speak with you previously, and connected you up with some folks at the airport.

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If this is the issue that you suggested, I have every confidence that our airport staff will want to address that directly, and I think that's the appropriate next step. I appreciate you raising it here, and miss hart, if you just want to note it as well for the airport staff, so that they can -- whoever else needs to be aware, we did connect him with an assistant director over there. But if you could just note that as well for them, I would appreciate it. I appreciate you coming for the community. I want to note we have citizen communications beginning of every audit and finance committee meeting and it is an opportunity if there are issues that need to come before us to draw our attention to them. So thank you, Mr. Jacoby for taking advantage of that. >> Of course. Thank you. >> Alter: We now move to approve the minutes. Council member Flannigan moves,

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seconded by council member tovo. That passes. We now move to item 2, which is the social service contracting audit. And I believe we have our request from the auditor to postpone -- yes. >> We received several questions yesterday about this audit, and we'd like to resolve those before we finalize the draft. Certainly if any of you have additional questions, we would love to incorporate -- consider those as we make revisions to the draft report. But we are requesting a postponement to the next meeting which I believe is November 20th. >> Alter: Thank you. If there are no objections, we'll

postpone that item. We move to item 3, access to mental health service audit. >> This audit was managed by Patrick Johnson and led by Cameron Iagrown. >> Good morning.

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City council included a strategy under their strategic direction 2023 health and environment outcome to provide and/or support initiatives that connect people to medical care, including mental health services. We did this audit to understand how the city is achieving this outcome. We found that the city does not provide direct mental health services to the community. The city supports external providers of mental health services with funding social service contracts and grants, and staff refer individuals to these providers for mental health services. We identified three areas of improvement with the way the city supports these services. First, the city could better coordinate their approach to referrals across departments. There was no consistency in how different departments referred individuals to mental health services. The approach to training staff on how to handle mental health related encounters also varied across departments. Second, we found that the city may not have enough information to understand the need for mental health services in the

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city. The city does not currently have a standard definition for mental health. City staff said that they are unsure if they are responsible for assessing the community need for mental services. Public health has not done an assessment need for these services. Finally, we found that tracking referrals to services was informal and varied across and within departments. For example, staff from aph neighborhood centers said they would only track an individual if the individual was in their case management system for other services. They track all data by department but not by specific issue, like mental health. Additionally, integral care does not track referral data from city of Austin locations like libraries and rec centers. We also had an additional observation related to the sd-23 strategy mentioned earlier. City council identified accessibility to mental health care services as one of their

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top ten sd indicators. We could not find metrics that specifically track access to mental health services. We made two recommendations addressed to the assistant center management. Management agrees with these recommendations. >> Alter: Just to clarify in our backup. The staff responses were not in there. Is it just they agreed to it or was there more for? >> Yes, we received the response, and I believe we were able to post it back to the council agenda. They agreed, and we have the response and we can share that. >> Alter: Thank you. Anyone have any questions? >> With respect to the report, did you look

at what the capacity was in the city for the need? You're saying no one has actually looked at the need? I guess the question would be if

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we have the capacity to serve the need. I assume that wasn't looked at either because we didn't really get a handle on what the need was. >> Correct. Since we kind of determined there wasn't the data there to determine the need in the first place, assessing the capacity wasn't there. >> If the I think it would be helpful to say while you are looking at the need also look at the capacity. I recommend that. And then it also looks -- you mentioned that there was some questions were -- the service providers -- it wasn't clear whose responsibility it was to answer questions. Our recommendation be there be some aspect of shared planning where the city was together with the integral care, maybe with the state hospital to talk about what's happening and how we impact each other. A recommendation instead of shared planning I think

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would be really helpful and might be a good recommendation as well. So I would recommend those two. Additions or notes in the report. >> Flannigan: My questions really are theoretical about integral care and whether or not they are the owners of this data or analysis. My feeling is that they should be and I would want to be careful to put on the city the responsibilities of other agencies or jurisdictions. I - I'm the vice chair of the C.A.N. Board, I get the activation -- advancement, they are on that with the city and county and school districts and Seton and others and, of course, the Seton, St. David's put money into this. C.A.N. Is not just mental health but all of those core nature services and making sure we're tracking metrics fairly and equitably so

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I'll be following up on this myself through C.A.N. >> Alter: I have a couple question but I think the other colleagues have questions first. Thank you. I had a question -- there was an interest question raised about 311 and 311 only tracking by department and not by topic. Do we have any sense of how we might do that more broadly and whether there's value of that or if other 311-type services also track data by topic, particularly, you know, we had an issue I know with scooters that we had to do it and I think with homelessness and some other things that having some facility to do topics would be useful. >> So we do have an audit on the fiscal year 20 plan coming up related to 311, and I think this is a topic as I've heard from the mental health team, there's a topic we should fold into

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that audit is how we are tracking information and how easy it is to report on issues that come up. This, for example, on mental health, but also, but yeah, scooters is a great example or homelessness, how able are we to tie our 311 calls to issues coming up with council. >> Alter: Thank you. So this audit was focused particularly on the three nonpublic safety units and their interaction with respect to mental health and with focus on data. And while I broadly agree that we need better data on the mental health needs, in the case of these departments and perhaps less so for public health, but maybe more for a library and parks in the scope of what they are doing, I don't have a sense that the magnitude is huge in terms of the mental health interactions, otherwise I think we would really be hearing about it in a different way. And so I'm wondering if we should be focusing less on

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the data and more on, you know, training where it's needed because clearly there's probably not enough training and there's not enough knowledge of what to do next. And to me that would be more important than having data when, you know, we just don't even have the basic training, it's hard to track that and do all that other stuff if you don't even know how to identify a mental health situation. So can you talk a little about that balance of the data versus the training and where this audit is coming out with respect to that? >> Sure. Yeah, we looked at nonpublic safety departments because our previous work on homelessness and the ap response to mental health related incidents looked at when people are in crisis situations, how are they accessing mental health care. We wanted to look at all the different access points in the city, if somebody is at a rec center, library, neighborhood center, how are we getting services if they need them.

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That's why we focus on these departments and we completely agree with that. We made a recommendation also for training and to say these people are having frequent interactions with the public and while it's not their main job to connect them to mental health care services, we want to equip them with the training and knowledge and identify those incidents how to deescalate if needed and refer out to correct services. And so yeah, we hope that both of our recommendations draws those, that there's -- address those, but we also want to know where the need is and we have to have the data to say where a the people in the city who need that extra service. >> I think the other thing we were trying to do was leave room for the assistant city manager over these departments to really say I think we need to target training at, for example, these branch libraries, they

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need more training than other libraries or collect data and identify the need they are able to target services there. There are already integral care, for example, they go at least once a week. >> Twice. >> Maybe twice a week to a particular branch library to be available and provide on-site mental health services. And I think that's identifying a need kind of more data based and then targeting resources there is what we're talking about. >> Alter: I think that helps. I don't know that that was totally evident to me when I read through the audit, but I think that clarification is useful. Just as a councilmember, I would rather us spend our limited resources on delivering the training or the services rather than the data given where we're at in this process for those departments. If you are talking about APD, I would say we definitely need more of the data in there. And then I wanted to just ask that you add some information about the

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additional mental health investments we made in the budget the week of the budget. Those were not included in your summary of the investments. You talk mainly just about the proposed budget, but we made some additional investments during the budget process. So do I have a motion -- mayor, did you have -- >> Tovo: I did have one follow-up question to the piece about tracking follow-up. And I noticed the staff responding that they don't do that because of privacy concerns and I would think that's a very legitimate concern for our library staff, our rec center staff or staff working in a nonmedical capacity so can you address why that -- how do you resolve those two things? We can't really ask our staff to track mental health follow-up if they are not in a position to be able to keep that information secure, that medical information secure. >> Sure. Patrick Johnson, assistant city auditor. That is a concern.

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We spoke with several departments at the time about we recognized it as an issue. I think what we tried to frame the recommendation and collect the data as best you can, and again I think the chair rightly noted that, you know, the focus on this was to provide at least on baseline of training and guidance for how to handle these encounters. And then the secondary piece was to in any way we can again respecting current laws collect data that we need to understand who needs that training, where those services are needed. And also I think just the piece about metrics related to making sure we know that the council's priorities are being addressed. >> Tovo: And so I guess I just have a little discomfort about the way it's framed within the report because it does seem to me perfectly reasonable to ask integral care to track referrals. It's very reasonable to ask our staff to track the need

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that they see, but not -- >> Sorry. >> Tovo: Go ahead. >> We felt like you could track this information without tracking any information that would be subject to privacy concerns. So you could track the number of people that needed services, the number of people that needed services by branch or by location without actually tracking -- >> Tovo: Whether they received it. >> -- Who they were. And integral care does have to track that information so they could provide summary statistics back to the city about we had this many people and were able to provide services to all of them or some of them or some people refused services just at that level. If we were able to collect that, I think that would help us really be more responsive to the need and put resources where they are most needed without actually having this person on this date was at this facility and had this need. >> Tovo: And whether they need services, I think it's expressed here, tracking to

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see if they received mental health services is the statement -- [multiple voices] >> Right and I agree -- that would need to come back in an aggregate from integral care and not from the city saying -- >> Tovo: This individual we saw got xyz service. Thank you. >> Alter: Does any of the staff from the departments want to respond? Are you comfortable with us proceeding? Okay. Go ahead. >> Flannigan: I don't know if the contracts that we have with integral care, since we are providing funding in certain ways, can do include or could include that type of requirement. Because if it was just an independent agency, then that's a different conversation than one we provide funding to. I agree with councilmember tovo, I think we should be able to get this data and require it in the contract. >> What we know currently is that it's not required in the contract, but I think it's certainly something

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that we can explore with the contractors. Contractor. >> Alter: So do we have a motion? >> Mayor Adler: Sorry. Is there a way to record in this the request that when you are looking at -- we also look at the capacity question while we're looking at the need question and that we put some kind of effort and union if it's a departmental issue or a management issue that there be some more concerted joint planning structure or initiative set? I don't know what to do with those comments. I don't know if I can park them here or need to bring them up somewhere else. >> I would say the department is here certainly and willing to come up and talk to you, but I also think in our recommendations we did try to capture those two things separately and I think the response was we will do both. Kind of think about the services as well as the

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metrics. >> Mayor Adler: Okay. >> Good morning. Stephanie Hayden, Austin public health. We are capturing notes, as you all are bringing those things up, and what we typically do is just kind of incorporate that into our work. And so as we have already responded, we will just incorporate that so when we're looking at capacity and trying to determine capacity and kind of those sure planning and having those conversations with the vendors that we currently contract with, and then we can make those changes to that work statement as well to be able to capture that data. Because it will be important for us to be able to get that data from the -- from the vendors, like integral care, for example, or Austin child guidance is another entity that we contract with. And so being able to get that information for them. So yes, we will incorporate

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that in our work when we're doing our response. >> Mayor Adler: Thank you. >> Tovo: I just have a quick question, director Hayden. I know there is kind of a collaborative effort going on right now around substance use to determine what kind of resources are available in the community and to assess the broader need. Is there any kind of global plan or global work that's currently underway with regard to mental health resources? >> Not so much global kind of like how they are doing with substance misuse, but there are kind of targeted efforts where, for example, they are looking at youth mental health, they are looking at adult mental health. And so -- and so typically people are working kind of in those groups and they are having those conversations, but at the table is always our mental health authority. And so because that falls under their responsibility to make sure these things are happening, and then they

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submit some type of plan to the state of Texas. In their capacity. >> Tovo: So some of the assessment that's been raised about really understanding the community need is happening within kind of subpopulations of austinites? >> Absolutely. Absolutely. And then, like, the statement about mental health, you know, we would consult with them and use the working definition that they use for mental health and convene our, you know, across the city with departments and ask them are they fine with using that definition as well. Because it doesn't make sense to go out and just kind of re-create something that potentially exists with the mental health authority. >> Tovo: Thank you very much. >> Alter: Councilmember pool, did you still -- mayor Adler, do you -- so does someone want to move approval with the amendments to reflect the final budget as part of -- councilmember Flannigan seconded by mayor

[10:00:19 AM]



Adler. All those in favor? Unanimous on the dais. Thank you very much. We're going to -- I just want to go over the order for the rest of the morning so folks who are trying to figure out when they need to come in have a better idea. We're going to take up item 4, the calendar, then item 5, the wildfire preparedness, and then we're going to take up item 8 on the heritage grants and item 9 on the occupancy plan and then move to item 6 and 7, which can be postponed if necessary from our discussion. So item 4 are audit and finance committee meeting dates. Those were in the backup. We're still trying to figure out whether we need to move July or not, but for now we're going to put that on the calendar and have a placeholder for that one. Decision was made that in March between spring break and south by and when we had our council meetings, it was

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hard to have a meeting so we moved up the April date. But if anyone has any modifications. Councilmember tovo. >> Tovo: Can you help me understand the rash rationale behind moving the -- >> Alter: We are on break from June 14th. >> : Got it. I will be gone on the 15th you probably have heard from some of our offices around that, the July 15. >> Alter: I think we will likely have to move the July is a, but we just decided for today we would leave that and that we could edit it in the future. >> Mayor Adler: Just a note, I'll be gone for the February meeting for the same reason I was going to miss the council meeting. We moved that up a week in February. So I'll be here for the council meeting but would miss this meeting as well as

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the July meeting. >> Alter: Maybe if we should just take let's take that off and we'll add another one. >> We can work to find a day between may 27 and August 19 that doesn't have a council meeting and where you all aren't totally consumed by budget discussions to try to have another meeting. And some of that we'll know better early next year what will be coming and what meetings we absolutely need versus can be flexible around. If we take July 15th off, we'll try to find another day. >> Alter: I would ask my colleagues if you are going to be absent for meetings let me office know so if we identify a quorum probably or make sure everyone is here right at 9:00 we have that opportunity. And mayor, if you want to talk with my office and Corey particular items scheduled for February that you want us to put off or take up in a different way, do let us know, about out the next meeting right now would be April 15th.

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So there would be a bit of a delay there. So someone want to move passage with the July 15th off of the proposal? Councilmember pool and councilmember Flannigan seconds that. With everyone, no objections, we'll pass that. Now move to item 5, the revised wildfire preparedness audit. >> As indicated

on the agenda, this was an audit that we brought in August and you all had several questions that we wanted to kind of expand some of the language to capture. I think we provided nor context, if you look at the full report, we provided more context and had some additional information within our findings particularly related to data. And so Patrick was the manager of this audit as well, lucky hum today, and Tyler Meyers was the lead on this audit and they will be presenting. >> Good morning.

[10:04:21 AM]

Our objective was to determine if the city of Austin is both effectively working to prevent and adequately prepared to respond to wildfires. If, child fires are a cross-cutting issue that involves many departments with the wildfire division acting as primary resource. Austin fire department, Austin water and Austin parks and recreation department. Wildfires are risk to Austin and the surrounding region. The September report analyzed reconstruction cost of homes in high wildfire risk areas and Austin ranks fifth highest in the nation. Many reports state areas where humans share a border with wildland is where wildfire issues are most pronounced called the wild land interface. AFD has determined there is approximately 647 miles of wildland interface in Austin. They break down between

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private and public land with 72% of the inner face occurring on private planned and the remaining 28% on public land. The city can reduce wildfire risk in these identified areas in various ways. For example, the city would require ignition resistant construction materials for homes in high risk areas to reduce the wildfire risk on private land. Also the city could reduce risk on public areas by strategically removing excess brush on publicly owned land. Our audited result in two findings. The first finding notes actions the city has taken to address the impacts of wildfire through efforts that align with the three elements of the national framework. Together these actions improve the preparedness for wildfire. However, we noted areas for improvement for data collection. This map shows the potential treatment zone and further breaks down the zone by wildfire risk classification. In addition, it highlights areas treated by Austin fire

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department and Austin water. Together these two departments have treated approximately 13.5 miles. Specific issues with wildfire mitigation data include AFD inspection data does not capture enough detail to describe mitigation activities are needed. AFD does not report on mitigation activities done by other departments. AFD reports they have treated 11 miles to reduce wildfire risk. Our analysis found Austin water treated an additional 2.5 miles which was not previously record by the wildfire division. AFD does not track efforts like mowing and prescribed fire which also help reduce risk. Residents can play an

active role in reducing Austin's wildfire risk by clearing excess brush on their property. Austin resource recovery provides curbside brush collection service device a year to residential customers within the full service jurisdiction of Austin. A customer can also call 311

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and request an out of cycle curbside collection for \$100. Additionally, current customers can drop off brush at Austin recycle and reuse center in south Austin. Noncustomers can drop off at the same facility for \$7 per yard. This map shows arr's brush service area in light purple compared with other parts of the wildland-urban interface classified as having extreme hazard severity level shown in red. It shows that some of these areas are not covered by arr's current service areas because these areas are outside the full-service jurisdiction and shows two areas that receive brush collection because they are part of an annexation agreement. The second finding noted while actions have been taken to increase wildfire preparedness, Austin has opportunities to improve proactive efforts to reduce threats. These include adopting a wildland interface code,

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drafting management for city properties and defining persistent guidance for prescribed burn guidance. One way to reduce risk is require resistant materials for new construction in the wildland interface. AFD created a map that shows the potential footprint for the code for Austin. Estimates show 59% of Austin falling within the interface. Estimates of what will be included in proposed version of the code has continued to change. Consideration of the wui code involves competing concerns about safety and housing affordability. An estimate on the amended version of the wui code estimated construction costs would increase 3.2%. Additionally, AFD estimates the wui code would cost about \$1.5 million to implement in the first year and over \$1 million in following years for staff to review and inspect plans. However, some or all of the expense could be off set

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through permitting fees. AFD presented a draft version of the wui code to public safety commission in may and the commission recommended the code for adoption. Many of the properties managed by the parks and recreation department do not have land management plans. These properties are shown on the map in tan. The map -- the city currently owns and manages a large amount of land within the city of Austin and surrounding area. Land management plans are used to strategically identify needs for the various properties. Austin water has a dedicated division that creates plans for properties they manage, but pard reported not having land management plans for several properties. Some of which were in high-risk areas. Prescribed burning is another tool available to the city and can be used to proactively

address wildfire risk. Staff noted that prescribed burning is a cost effective method of reducing brush and provides excellent training opportunities to firefighters. The wildfire division

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reviews permit applications and they are sent to the fire marshal for final approval. We noted that the prescribed burn permitting process is not well defined and the department could increase collection efforts on prescribed burn activities. We issued four recommendation, three directed for the fire department concerning data collection, the wui code and prescribed pro permitting process. An additional recommendation was issued to pard. Both af D and pard have agreed with these recommendation. This concluding our presentation and we'll be happy to answer any questions. >> Alter: Mayor Adler. Sure. Thank you. So I might want AFD to come up as well because I'm not sure if my questions are for the auditor or for AFD staff. First of all, I appreciate you guys looking at this

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audit again and trying to get at a better sense of the risk. I think we have a sense of the magnitude of the number of miles that we could be treating that we are not treating. There's still some open questions for me about what more we should be doing. So I want to drill down into a few of the parts of this. So one of the ways that Austin can mitigate wildfire risk on private lands is through the adoption of the wui code. Can you outline for folks who are watching who may not know much about the wui code what the major facets are of the international wui code? >> Assistant chief, Austin fire department. I'm the division manager over the wildfire division. Some of the major facets as relates to the wui code

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consist of land management, also consists of resistive materials for building materials, and basically it's a code that allows us to not necessarily restrict but allows us to put into order, if you will, with regards to construction and expansion into the interface. It puts everybody on the same page as far as reducing the risk to wildfires and allow us to better reduce possibility of wildfires. >> Alter: Thank you. And can you -- so as I understand it our process, there's an international code that has best practices recommended and we are drafting something that does less than that because we're not allowed by law to do more than that. Can you speak to what we're removing from the

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national -- or international standards in our proposal at this point? >> I don't have those components with me currently right now. I know that right now we're going through stakeholders meetings to address some of the things that are part of the wui code. I think it would be -- right now it would be inconsistent with kind of as far as us moving forward because things could change later down the road as relates to the wui code. We have a meeting today, as a matter of fact at 13:30 with the boards and commissions in order to gain their support of the wui code and there's some things they wanted us to address in that meeting that's coming up. >> Alter: So I want to ask then that in the amendment -- in the audit that it be amended that the fire department has to present to us a chart that has what is in the international wui code and how we've deviated from that. As I understand it, the wui code has three broad parts.

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There's what you do on new construction in terms of materials, there's what happens with existing structures, and then there's the field mitigation opportunities with respect to the vegetation. And I'm hearing concerns about how much has been dropped with respect to the vegetation management. I'm not sure that we're getting the right balance between mitigating our fire risk and addressing the environmental concerns and the costs. So I would like to make sure that we amend the audit to require them to provide us that comparison. It's not enough to just tell us what you drafted in the wui code and how it deviated which is what's currently in there as I understand it. >> I believe that perhaps not in the shorter recommendation but in the detail of the response from AFD, I believe they do say they will do -- this is what's essential coming out of the national code and then this is what is or is

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not in the current proposed draft. But if that's not how it reads, then we can certainly work on our recommendations. >> Alter: To me it read they were going to tell us what was essential in their draft, not in the national draft. And if I'm mistaken, that's fine, but I had read it to -- I may have read it wrong, but I had read it to say that they were going to tell us what was essential in their draft, which is already a deviation from the national. >> And perhaps I can add a little clarity. I think in our conversation with AFD, our understanding was they were going to take the essential elements from the national model code and if those aren't reflected either in our local wui code or another code that already exists in Austin, that's what would be highlighted for everyone to understand. >> Alter: I'm just concerned about how this whole stakeholder process is working. It seems like if somebody raises an objection it gets

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taken out and there's not an overall -- I'm just concerned about whether or not we have the overarching goal still in mind as this is going through the process and I don't want it to come to council and us be not given the information that we need to be making our decisions. Related to that it would be to make sure you deliver us any information about insurance costs that may shift if we're not addressing things in this wui area. We are now cited as the fifth most vulnerable city and, you know, we were hearing rumblings, I think there was an article recently in one of the local papers about the potential insurance risks and, you know, there are costs to implementing the wui, but there are also costs if we don't implement it not just respect to the lives that might be lost but the insurancability of structures in the wui code. I very much want us to pass

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this, but I want us to pass the right thing and so I'm committed to working with you on that, but I do want to flag my concerns on that with that. The other thing that I wanted to ask about and I don't know if arr is also here, if we have a representative from arr who can also step up, so I appreciate this audit talking -- and I may need fire as well. I appreciate this audit putting in the maps with the arr brush. As you see from the maps, there are sections of the city that are in the etj that have very high fire risk but do not have arr service. These were areas that were in eds 4, still in esd4, but we've been having trouble carrying forward the options offered under esd 4.

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The amendment that increased budget for wildfire said we had to make sure that we were honoring those agreements, but it's still a challenge to get them that brush take-away. So it's my understanding that arr offers service to areas outside of the full-service city limits via these annexation agreements. Can arr contract to extend the service to esd 4 where you would be able to do the brush removal? >> So currently the brush collection outside is going to be done with in-house staff. We don't have that contracted out. And we have reached out to our legal department to see if there are any ramifications if we were to be the ones that take that on. >> Pool: Can we get your name? >> Brent page, financial manager, Austin resource recovery. So penning that review, we

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should be able to -- pending -- some cost analysis regarding what that would cost for our department to do that. >> Alter: Thank you. I would appreciate that and I don't know we have to bring it back to this body, but if you can bring that information back to my office and then if we need to bring it to the body, we can. Part of the challenge that we've been having is finding someone who can do sort of that removal. There should be some funds to be able to pay for it so it's not being subsidized by the other

ratepayers, but it's been a logistical challenge to resolve that. If we can find a way and whether or not the people have to pay a fall fee, that can all be -- small fee, but right now brush removal is not happening in an area of town that already had the habit of doing the brush removal that was in the highest fire zone area. And so we really do need to rectify that. So if we can follow up on

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that, I would very much appreciate that. I have a couple other questions, I'll just focus on one more right now which is there was a resolution in 2016 brought by my predecessor, this is for fire, so thank you, brought by my predecessor that has -- that was in our backup in appendix a, has as a third be it resolved that the city manager is directed to ensure that all high risk wildfire urban interface options be assessed for local community wildfire protection plans where the need of a local is established, the city manager is directed to plan and implement these and so on. Has that been followed in terms of direction? >> Yes, ma'am. I think that we've met with the public safety commission about a couple months ago and updated them as far as the wildfire resolution and the questions that you just stated. For instance, local cwpps

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implemented wildfire areas, a number of local cwpps high wildfire risk but not completed. Percent of progress towards completion of each major plan component and so on. >> Alter: I'll look back at that report. Did you want to say something? >> Yes, ma'am. Gerald Limon. These documents cwpp are ongoing. There's like nine different steps and it takes a long time to complete the whole thing. We're always engaged. The ones chief Davis mentioned where they are engaged, Weant to create more, bring more on board. We're going to a lot of meetings and like I said that's a living document that takes a lot of steps to complete. But our job is to educate them and their learning and they are taking on the jocks themselves as well. >> Alter: Thank you. Councilmember Flannigan. >> Flannigan: First, I want to thank you all for coming out to my monthly meeting last month and speaking to my constituents about the wildfire risks.

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One of the concerns that I have with the very kind of squirrely annexation plan on the edge is our coordination with the other esds, not just the one we brought in but lake Travis specifically. I've got limited purpose areas where the community gets confused about who they are governing jurisdiction is because they get to vote for city council but don't pay tax. I would like to see a recommendation that related to regional collaboration in this audit. I brought this up at capcog and there seemed to be a lot of interest to do more collaboration like is already done for flooding risk but is not really done for wildfire

risk. So I don't -- it's not just -- it's not covered here. In fact, the first recommendation just talks about citywide. That's one thing I would like to see. And then the -- the question for me I guess is a later

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question when we start digging into wui about it's a requirement to require private property owners to do field mitigation. We can do it on our own properties and the challenges of getting the resource to do that is one question, but does the wui -- does the future wui we're contemplating allow us to fuel mitigation on private land? >> Yes, it does. What we want to try to do when it comes to [lapse in audio] Data collection phase as far as trying to get feedback from internal, external stakeholders. So we haven't made a defensible stance as far as what the wui code is going to even detail because we're in the data collection phase. Some of the things that, some of the recommendations when it comes to defensible space has to do with

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distinct hazards. And so you ask what are district hazards. Those are structures close to wildland areas, structures not ignition resistant, structures near slopes. And some of the recommendations coming from these internal and external stakeholders is based on, I guess, trust because right now when you talk about the wui code, everybody thinks that you are going to go to their homes and just clear everything out and just kind of flat line everything. That's not necessarily the case. So right now we're in the phase of building trust and relationships and understandably so. So behaving our defensible space enforcement throughout the wui area would require extensive resources which is currently beyond our budget that we have now. Environmental stakeholders both internal and external express concern or granting large scale vegetation type operations. Defensible space strongly encourages support throughout our outreach programs and AFD will continue to identify and

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provide defensible space in form of shaded fuel breaks throughout the community. Like I said, it's an ongoing process when it comes to the educational piece, but hopefully we encourage our residents to be in compliance voluntarily. >> Flannigan: As you all know, there's some fairly significant preserve areas that are not owned by the city but owned by neighborhoods. >> Yes. >> Flannigan: Private entities. Part of it is making sure if your backyard backs you mean up to a preserve, but the larger tracts owned privately and how we're able to ensure those private landowners are doing their job. >> Right. En I think most of the success is based on cooperation. That's what we are doing the building trust and relationships. >> Flannigan: And I brought this up before, Travis county commissioners court Shea did a - and others did a evacuation drill in the comanche trail



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neighborhood which is that area that gets to be in the city and vote for me but doesn't receive service from you all and I got to be a part of that at least a little bit. I know some other neighborhoods that are wanting to do that and finding some resistance. It's not clear the relationship between the police department and fire and I just wanted to daylight that as I've spoken to you all before about it. >> Tovo: I have a question for pard, please. So in the response it talks about that there's attachment with an action plan. I may just be missing the action plan, but I wondered if you could speak to -- speak to what your plan is for making sure that those areas that don't currently have a management plan will have them and more specifically what the time frame would be.

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>> Kimberly Mcnealy, director for parks and recreation. At this particular time the parks and recreation department was -- by the generosity of city council was given some positions to help with land management so we're in the process of hiring a particular position that can allow us to do a better job of tracking our land management tasks and planning for land management. At this time we have two land management plans that are about to be adopted. Our struggle will be that once the land management plan is adopted and we know exactly what the actions are that we need to do, we will need to determine within the staff that we have currently how will we perform the actions that are dictated in those plans. So if it's going to require brush clearing or if it's going to require us to do maintenance on trees, we're

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going to have to figure out how to incorporate that in the work that's already being done by our forestry department or maintenance department, or can it be done through volunteer groups or large workdays or in partnership with somebody, a nonprofit organizations willing to dough that it that type of time. With regards to future land management plans, we have -- I'm going to turn it over to Amanda to tell you how many we still have yet to complete and what a time line might be for us to complete those and the costs associated with that. >> Tovo: Before you turn over the mic, it did say in your report there was attachment that is an action plan. Is that something that just didn't included in backup or in the memo to the auditor it references an attached action plan to implement the recommendations. >> I think that that is kind of what Kimberly is going through here so we'll need

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to double-check and see what is or isn't in there, I need to double-check that. Amanda Ross, resource divisions manager for parks and recreation department. And specifically as far as implementation goes, we are looking and partnering with AFD on those high risk areas and prioritizing those for land management plans. Most of that is currently preserve land which obviously would be more of a natural area and so our goal is to work in the next year to complete a land management plan for preserves. Thanks to council we did get \$100,000 in this past year to complete land management plans specifically associated with those preserves and natural areas so that's our priority for this year to complete that and kind of see where we are at the end of that process. >> Tovo: What are the -- I see a map in here for high priority areas. That's not the right term, but high fire risk areas. And then I see a map for

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parks and recreation parks and whether they have land management. I don't see a map that -- >> We have a list and gis interface we worked with AFD on, but that's something we can provide. >> Tovo: Can you give us an example of a couple of the park sites in high fire risk areas but don't have land management plans. >> Most of our natural areas. Some of them are in northwest Austin. Obviously we have a little more vegetation in those areas and so some of that would be part of -- stillhouse hollow, a small pocket area near Mesa and far west boulevard. The Barton creek greenbelt may be finalizing, we have land management plans broader but we might need to look at something more focused particularly in large swaths of property as well. Then we have smaller properties that are in southwest Austin that also

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could use some more specific details. William H. Russell preserve has boundary work. It's off Davis lane. So we have some very specific kind of smaller boundary wui areas that we will now focus on. >> Tovo: Thank you. >> Sorry, councilmember, your previous question about the attached plan, I believe that was their implementation plan we included on page 18. Essentially they attached their response to our recommendation. And we -- so we just insert that into the audit. That's when we got the response. >> Tovo: Oh, I see. So the response, the management response on page 18 is the action plan? >> So sometimes management will include a memo. We include a memo when they do and the attachment was the response to the recommendations that we included on page 18. >> Tovo: Okay. Thank you. >> Alter: I have a question for pard still. My understanding was Emma

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long park was also in that group. Is that correct? >> Yes, that's for land management plan for this year, yes. >> Alter: Great. Thank you. I have a question for the auditor and then for AFD as well. So I don't see any recommendations related to the evacuation plans, but they are mentioned as an issue in the audit. So can you explain that? >> As far as the evacuation plan, we noted that AFD has written and worked with homeland security to devise and write a special wildland-urban interface evacuation plan. We thought that was one of the good things, the positive things we noted in the audit in the first finding. So -- >> Alter: So it's just -- >> Think we looked at is there -- was there efforts to create this evacuation plan. I think we saw work -- working with several of the neighborhoods, I think maybe

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fire could speak more to that. >> Yes, ma'am, we had a meeting last week with the firewise alliance, the group of 14 or 15 communities that are firewise that have the cwpp and they suggested that too that we want to see that going forward. We talked about going into 20 what resources it takes. It's going to take a tremendous amount of resources to practice this so that's something we'll be looking forward to in the future as well. >> Alter: A question for AFD. So we increased the budget for the wildfire division in the budget during budget week. There's about 600,000 that was devoted to fuel mitigation. Can you speak a little about your plans for that funding noting that there was part of the amendment that said you had to fulfill the obligation to -- for esd 4 areas as part of that? >> Yes, ma'am. First and foremost, I would like to thank the council for supporting the wildfire

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initiatives. I think that will assist in moving faster. You mentioned the contract for services, the \$650,000 total that was granted to the fire department to move forward when it comes to land mitigation. What we've done so far is that we've taken \$50,000 is a bid that's out currently that is supposed to close actually November the 12th at 2:00 P.M. As far as brush pickup and dumpster dropoff in esd4 area. As relates to contract for services, we're in process of doing draft when it comes to scope of work to develop a contract for an additional land management team. And the other piece we are looking at also as contingency plan first and foremost is try to piggyback on some of the existing land management plans that are

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out there. Those are three pieces we're working on in moving forward and trying to address and move our processes along. So those are in place now, yes. >> Alter: Thank you. I just want to underscore from our conversation earlier with arr and the wui code and bring those together. Also back with what councilmember Flannigan was talking about in terms of some of the opportunities to do the fuel

mitigation and the private lands. Our ability to require that or to incentivize that depends on having ways to remove that brush. So finding ways that arr can support that in cost effective ways since they have equipment and they have the other stuff, if folks are doing their own removal or however that works I think is a real opportunity to up how we're doing the fuel mitigation whether they are in the etj or not, really working on that relationship as it relates to fuel mitigation I think

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is an opportunity we could really pursue and I think it's critical if we want to have the broader wui code budge takings things in -- being part of people being comfortable with that process moving forward. >> Rob buyers, chief of staff for the fire department. Message received loud and clear. We'll look at collaboration opportunities with our esd partners as other agencies to help improve the removal of that extra brush. >> Alter: Thank you, and I appreciate everyone who took time on this audit to add additional information. We know that this is not really a question of if but when we have a major wildfire here in Austin and it is our role as government officials to make sure that we're doing everything possible to mitigate that risk. I think we have a better sense of the manage attitude. I would like to see more in terms of what resources might be needed, but I think

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that the audit now presents a better sense of the magnitude of the problem and provides some additional steps that we can take. I think this is an ongoing conversation and as the insurance situations change as those -- those change and the wui code moves forward, I think the audit does identify the appropriate next steps even if it doesn't necessarily give us all the steps that we could be taking over the next several years. So thank you all who participated in that. I'll now entertain a motion that will include the amendments we talked about with respect to wui code. I don't know that arr has to be in this and did you want to add the regional cooperation officially to the audit or how do you want to -- >> Flannigan: I would love to have -- I don't know how we would language this in the audit, but to ensure that departments are collaborating with other jurisdictions in the region

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on their coordinated wildfire mitigation efforts. >> Can I make a comment on that real quick? Part of the cwbp plan was to formalize the task force, a collaborative effort with Austin and Travis county and it was formalized and they do meet regularly. I don't know if you want more than that, but that does exist. >> Clearly they are not being very loud. So, I mean, I don't know what I don't know in terms of what that group is up to. I know the things I'm hearing from my community where it doesn't seem like that coordination is happening, but looking for to that can be a next step too. >> Alter: Do you want that in

the audit or not? >> If the auditor's office is saying it already occurs but we don't have the data to know if it's occurring well, I don't know if that's a recommendation or not. >> I think that could be

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additional work. I don't love including it in the current audit just because our finding didn't indicate it was a problem area. It doesn't mean it's not a problem area because there's a lot of areas to focus on, but my preference would be if you all are interested in that, we can do additional research separately from this work. >> Flannigan: I don't have a problem with that. >> Alter: And you understood my comments with respect to the wui code and the national being part of the recommendation. >> Yes, or I mean we can discuss that with Austin fire because I think it -- I think it is part of their response. I think that's what they are saying and that's what we're saying, but maybe we need to clarify the language to make sure that's clear. >> Alter: Okay. That would be great. I think this is an appropriate next step for us on wildfire and I look forward to working with you all on even more. So thank you. Appreciate it. Okay, so we are now going to skip to item 8, quarterly

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update, and then take up the briefing on strategic administrative office occupancy. Oh, do we have to vote in sorry. Councilmember tovo moves approval. Seconded by councilmember pool. No objections on the dais. So moved. >> Thank you. >> Alter: Thank you. You got a little practice. Good morning, thank you for being here. >> Good morning, we're here to provide your quarterly update on our heritage grant program. >> Good morning. The purpose of this heritage grant is to promote teratism through preservation -- tourism through preservation tied to historic buildings or sites. The state law requires the funding to be used to promote tourism and the convention and hotel industry. It also requires the grants to be awarded to projects

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that are either in the vicinity of the convention center or in a location within the city reasonably likely to be visited by tourists and/or convention delegates. With the launch of the heritage grant program on July 22, the following updates were in effect for the application process. The funding threshold on heritage grant awards increased from 59,000 to 250,000 on individual heritage grant awards. That is for exterior capital improvement projects. Preservation projects, excuse me. As recommended by the visitor impact task force in 2017 and in an effort to expand the eligible applicant pool government, nonprofit and commercial applicants were eligible to apply for project grants. Per the council resolution passed in October 2018,

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eligible heritage tourism activities including planning, education and marketing projects were now eligible. This particular category comprised of 15% of total available funds within the heritage grant pool. As an administrative enhancement, all applicants were required to register as city of Austin vendors. And to a mirror process that was recognized from the heritage grant working group in June of 2018, and utilized by our cultural arts division which manages over 600 grant applications, the heritage tourism division implemented a similar online application process utilizing grants to capture key applicant information including things like demographics, districts, types of industries so that we can

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better formulate an engagement plan and any training that might be necessary correlary to the heritage grant. So this year we had a total of -- total application received were 23, with \$3.25 million requested in funding, 1.78 million was available through the heritage grant. 13% of the applicants identified as African, Latino, native American. Primarily most nonprofit entities and most were looking for funding for exterior building improvements. There were two layers of review for our grant process. The first was an internal inter disciplinary review comprised of representatives from our law department, our historic preservation office, our parks and recreation, convention

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center, economic development, and together we reviewed each application simply to ensure that the project proposed promoted tourism, was a qualifying preservation project, had actual measurable evaluation criteria, data that we could track. The applicant was in good standing and the application deemed complete. The secondary peer review process was an external review process. This was inter disciplinary team with various types of expertise including historic preservation, tourism, and civic engagement. The heritage grant scoring criteria changed this year. A significant impact -- and significant emphasis was placed on tourism and preservation impacts within the application. These guidelines will be reviewed annually so that we can make any adjustments

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before our prior launch of the next application process. Recommendations were brought forward to council and approved in September. I am currently drafting those contracts now. Also currently drafting

the reporting that will be required to accompany each contract, so if you have any feedback for that, I'm happy to take your comments. The applicant pool, we ended up recommending and you approved 14 projects for funding. 12 of those projects were for capital projects. The other two were for marketing and education-related projects. 12 of those entities were nonprofits and two were commercial entities. And again, I am working on those contracts right now. Together with our internal contract compliance teams so

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that we can develop the appropriate checklist and sops that coincide with each of these contracts. Our engagement process next year will launch in the spring. The window of opportunity with which to apply will be expanded. We will be marketing and engaging with the community over the course of two months. There are a number of different strategies that I utilized in order to get the word out and I think it just expanding that effort will be significant. Information sessions hosted together with the historic preservation office was incredibly helpful because we could not only just provide information about the grant and the process, but then we could start to really have a more technical conversation about the types of materials an entity was proposing to use or specific questions they might have about a potential proposal. One on one technical assistance was incredibly essential especially since

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we were moving to an online application forum to walk folks what exactly that online application entail and familiarize them with that system before they even created a log-in. Did commission presentations. D a social media campaign together with some other departments assisting including pard and Austin history center, historic preservation office, our communications and public information office, our cultural arts division, our music division, our small business program. They were incredibly helpful with that effort. And conducted some specific and targeted door to door solicitation as well. And then hosted regular open office hours in the event anyone just wanted to come in and discuss what their thoughts were in terms of an application. This is information that was presented previously as part of hotel occupancy tax,

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discussion had by the council related to the historic preservation fund which pays for the heritage grant program. And this was -- again, established to promote tourism through preservation efforts. This includes a four-year projection, this is a working draft that will only be final once further directed and finalized by council. And this includes the appropriations as it was set out in the resolution that was approved by council in October where 70% of the historic preservation fund goes towards city-owned

historic facilities for the maintenance and preservation of those particular sites. 15% is allocated for potential future historic acquisitions. And 15% would go to the heritage grant program. Next steps, as an added layer of transparency and

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reporting, regardless of the dollar value of the grant award, we will be moving all grant information to ecapri. I worked closely with our internal contract compliance folks and we're all in alliance that would be a great way to standardize that process across the board for all of our grants. It would allow us to capture not only status updates but be able to include associated memos and any final report as an official record tied to that particular grant for longevity. Also we will be -- I will be drafting a scope of work to conduct a heritage tourism plan and engagement around that plan to develop short, medium and long-term

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strategies for the division and overarching goals as well. Working together with the historic preservation office, parks and recreation, the Texas historical commission and a few independent contractors, we will start having some conversations about expanding eligible criteria for interior preservation efforts. The heritage grant working group in June of 2018 did recommend hvac as a potential interior project that maybe we should be considering. So I'd like to build in some specific criteria, also maybe pull in our Ada coordinator and kind of expand that conversation and see what we can land on in terms of eligible projects for interior preservation. Another thing, thanks to the online application process that we have, I was able to

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recognize that our contractor pool is not significant in terms of the contractors that have the skill sets in order to register themselves as someone who would be eligible to apply for this type of project given the technical nature of the project. I've already started conversations with the historic preservation office. We are aware of the utsa has a training program that they offer, so we'll be starting conversations with them and maybe with our local university and see what we can do to help ensure that all contractors have access to information that would help make them more eligible to compete for these projects. And that, I believe, completes my presentation. If you have any questions. >> Alter: Thank you, appreciate your hard work on

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this. I know the feedback from the project in my district with Laguna Gloria, they were very pleased with the way the process went and are excited this kind of funding is available to support historic properties throughout the city. So thank you very much for facilitating this process. I just want to note that this is only a piece of what's coming out of the historic preservation fund that several of -- I think including several members of this committee worked on shifting our hotel occupancy tax and I think it's great we're able to provide this funding. Councilmember Tovo, you were instrumental in that. >> Tovo: Thank you, I appreciate that. And thank you for this presentation. This is real useful. I have a couple quick questions and maybe longer ones. On page 3 it talks about site specific heritage tourism projects will be comprised of 15% of total available allocation and it's not clear to me whether

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you are referring to the 15% that is available for heritage grants or within heritage grants there's in and out a 15% for projects. >> It's 15% within the 15%. So it rounded out to approximately \$255,000 that was eligible for planning and educational and marketing activities. As part of the overall 1.78 that was available through the heritage grant. >> Tovo: Could you help me understand where that came from? I did the resolution that specified the allocations and we didn't break down the heritage grants into projects versus capital projects, that I can remember. I'm wondering where that recommendation came from? >> So one was that this was the first year that larger exterior buildings would be able to apply for funds above and beyond \$59,000. So this was a way of testing

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the waters to see what that need was out in the community and we did see more projects leaning -- more interest in capital projects than marketing, planning and educational. And in addition, we just be -- it would be great to be able to wrap -- for a project to be able to start and finish rather than to have to come back and ask for additional funds to complete an exterior project just because of the costly nature of those types of projects. >> Tovo: I'm sorry, that's still not helping me understand the 15%. Was it an intent to make sure all of the money for heritage grants didn't go to capital projects but that we were also making sure to fund some projects that were noncapital in nature? >> Yes. >> Tovo: Okay. I just want to ask because one of the things that happened with the use of these dollars over time is that there became a real sense that some of these

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categories were unmovable and some of the uses were unchangeable, and I want to understand where we currently have flexibility and don't, and that's an area of flexibility that I guess is an administrative criterion that got imposed and seems reasonable to make sure we're not spending all of our heritage grant money on capital projects, but I did want to note that that's not actually in the ordinance that we did. Okay. With regard to -- I have a quick question about six. We'll come back to that. Door to door, can you help me understand the door to door outreach? And I guess you said it was targeted. Are you using the historic surveys that we've done, east Austin historic survey and other surveys to kind of target particular facilities or how does the door to door piece play into this? >> The application process, because the position was filled in June, the

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application process opened in July, and review was going to occur in August, the application process was open for approximately four weeks. And so the targeted approach was more stratified centered in the downtown area, but that being said now that we've got the data as a result of the online application, we know where the larger majority of the applicant pool is coming from so we can develop strategies to do more door to door in other areas. In addition, the historic preservation fund helped to fund some citywide scans that are currently being conducted by the historic preservation office. So I'll be working very closely with them to help identify some key target areas for door to door engagement. >> Tovo: And some of those scans have been finished like the east Austin, so I

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would suggest that be one piece of information that you use to help determine that kind of targeted approach. It would be great to really use those scans as you have suggested to identify kind of key properties in different areas. >> Certainly. >> Tovo: One of the things that I just continue to have some discomfort over is the funding of commercial venues. Can you help me understand what the requirements are when -- and I think I asked about this when we had some come through. As I understand it, there's some kind of measures in place so that a commercial venue who receives heritage grant money has to apply for landmarking or what are the requirements that we place on it to make sure that people aren't applying for a grant, renovating their property or conducting a preservation project and then selling it and having that building potentially be demolished. >> So the current draft of the contract, the next phase will be to work with law to finalize the contract, but the current phase of the

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contract includes for a capital project specifically, they've got two years with which they have to complete their preservation project. Following that period they have three years with which they have to report their visitor information. And any convention delegates that visit their specific site. The contract has written into it a ten-year period in which the city needs to be notified in the event that there is a change of use, a change of title, a loss of historic designation, and in addition to that one of the pieces that was inserted into the draft contract was a right of first refusal. >> Tovo: Okay, so then I think when we reached out to staff over the summer, I maybe manages understood their response. I thought they were required if you were receiving a heritage grant, I thought they were required to apply

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for historic landmark practice. >> Yes. In order to be able to eligible to apply, any entity in order to apply, you have to either already have your historic designation status intact or you have to be able to demonstrate that you have completed that process. >> Tovo: So that is an absolute requirement. >> Before you are reimbursed. >> Tovo: Thank you. >> It is a reimbursement program as well. >> Tovo: Thank you for that clarification. And so I think you asked for some feedback on the guidelines and I would -- these are probably considerations that are already uppermost in your planning. As we move toward funding as a city interior projects, I would hope that you'll build very strong criteria around making sure that these interior improvements are really aimed at expanding audiences. So you mentioned Ada, I think that's important, hvac

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is clearly important. Other aesthetic improvements I would be less interested in spending scarce dollars on if they are not directly related to expanding the audience in one way or another. Perhaps they are expanding -- perhaps they are doing a project that allows -- allows the visitation of a room that's historically interesting. I think for example the project we have in zilker park where there's a bomb shelter on site at the guest cabin, the caretaker's cabin. To me that would be the kind of project we might -- if it were private, it's public, that's something I would throw out as planning that I hope you'll consider. And then I think you said that our private recipients of these grants are

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collecting data about convention delegates. They are also collecting information about just out of town visitors, right? >> Out of town visitors. >> Tovo: Great. Thank you very much. >> Tovo: Councilmember Flannigan, did -- >> Alter: Councilmember Flannigan. >> Flannigan: I'm glad to hear Mr. The folks who didn't apply for missed the short window to get their applications in. We've met several times and talked about my concerns around equity on this and making sure that we're not just -- we're not setting

up a system that preferences groups that have had a conservancy for a long time or long-standing political connections that would advantage them in any application process, so I'm really glad to see that part. On the projects that are being recommended, what level of detail will the council be seeing about the projects themselves? Because I agree with that

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councilmember tovo was saying about, you know, there may be some projects that are good and some projects that are bad and wanting to know what those are would be interesting. >> The projects that were approved by council? >> Flannigan: Yes. >> So as part of the resolution that was passed in October by the council, one of the -- one of the requirements is to report back to the audit and finance committee on a quarterly basis. So that actually is a great lead into direction that I which is what level of detail would you like for me to present on because I'm happy to present that information. You know, the great -- the great thing is that with the zoom grant application, we can track more data, create more reports, and make that into a more meaningful tool. >> Flannigan: I would be interested in knowing more details on the projects, I think it would help.

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>> Sure. >> Flannigan: At least for myself and the community visualize what these projects are going to look like. There does seem to be a pretty -- like very many of the applicants got their projects approved. I'm also a little curious about the ones that got not approved. >> In some instances the projects were not able to evidence their tourism capture, whether they had any tourists at all or what their plan was to capture tourists and/or convention delegates. So that was a missed opportunity. In other instances there were no bids submitted. Bids was the information that was necessary to consider the application complete. In other instances it was recommended that an entity go through the designation

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process before submitting to have a better understanding of that criteria. And then lastly, types of materials used was a significant piece. In order to ensure the integrity of the project being proposed. >> Flannigan: That's really interesting. My last question really is more evident, on the slide it talks about the four-year projection. That does not include potential new funds coming from the expansion of the tax. >> No. >> Flannigan: So this is just under the base taxation we have right now. >> Yes. >> Flannigan: Thank you. >> Alter: Thank you. I just want to add I think it would be helpful in the reporting to maybe provide at this committee, even though we just voted on these so we should be aware of them, but kind of which projects specifically how much because it looks like a whole lot was given to district 9, not surprising given how much of the

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history historic buildings are in district 9, but amount of money that went to projects in district 9. There were some like 15,000 and others that were a whole lot more. So the number of projects alone isn't necessarily the only measure that could be there. And I recall in conversations broadly about this that very specific efforts were being made, which I appreciate, to reach out particularly to east side historic properties to see if they wanted to participate and making them aware of that and I think as has been mentioned, now that we do have those surveys really getting the word out in enough time for folks that this is coming is important. I know that in the case of my district, I needed to alert the project to apply because it kind of was a new opportunity that folks were not aware of. So I think that's a great thing. Thank you very much. I don't think we need to

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take any action. >> Tovo: Can I ask a few last questions? >> Alter: We do have another report. >> Tovo: In terms of draft guidelines, I think it would be useful to have as a criterion whether or not, what the history of past funding is. A couple projects on this list have gotten funding. Most years we've had a heritage grants program and that's before we allocated the 15%. I definitely want to see this money used in a way that gets to as many organizations as possible and that we're not creating a situation where some organizations are real dependent on that funding year after year after year. >> Okay. >> Tovo: And in terms of what would be useful to see at future meetings, I think it would be useful, you mentioned the draft guidelines. That would be useful and appropriate to come before the audit and finance. I'm not sure where in your timing but if it's still in a draft format, being able to provide feedback. Then I would lastly say, to

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circle back to kind of one of my first points, I see the categories as -- the suggested allocation as important especially in these first few years to make sure we're spending in different kinds of categories, but I also want to always understand and have council understand the needability of those categories. We have the potential for an important historical acquisition and so if there needs to be more funding in that category, then I think we should create that flexibility. That being said, you know, I think the heritage grants are very important and a good way of making sure all parts of our community are benefiting from this kind of resource and we're encouraging resources to get throughout the community and see those important historical and cultural assets, but I don't want the staff to feel that each cycle they have to spend that maximum. If there aren't projects that rise to that level, I would rather that money remain in the account and potentially be used for a cycle of heritage grants

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where we have many, many qualified applicants who can't be funded rather than every quarter or every cycle we're spending the maximum. If you need the council to provide that level of flexibility, I'm happy to make an amendment to that or if it's -- if there's a consensus on that, I would say that's, you know, I think we should be open to that. There may be that flexibility already in the resolution so that we're not feeling like we have to spend the money. If there are projects earlier in their visioning. >> Okay. >> Alter: I want to add to that in terms of the spending aen the folks who have been getting it, we previously had a very low amount that you could get. So we need to get a balance too because some of these projects are really, really expensive and it wouldn't be surprising in order to really get a project done to the point it can make a difference that they might need a few years they are applying even at a high level to forget that.

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I don't want to preclude those to make those strategic investments while at the same time we want to make sure this funding is spread across the city to help lots of historic assets. Mayor Adler, did you want to -- >> Mayor Adler: I was going to see to the degree you are checking on consensus, I agree with the last points councilmember tovo made. I think there's great flexibility and I think the oversight of this committee is how we govern that. But especially I would concur with not a nee necessarily to spend it all in a given year but to make sure over a period of time, an arc of time we are spending as wisely as we can. >> Alter: Thank you very much. Next item 9, briefing on strategic administrative office occupancy plan. Good morning. >> Good morning, councilmembers.

[11:11:49 AM]

Good morning. I'm agreeing kanali with finance, joined by gale and Eric Stockton the building services director. We're pleased to be in front of you back again talking about where we are on our overall facility discussions. We have just finished a report that we want to walk you through and I need a clicker. So we have -- we just completed a strategic administrative occupancy plan and I want to thank councilmember alter, I think a lot of questions we had over the last year as we were doing facilities and leases led us to think differently about moving forward and rigorous and methodical to these new efforts. Do you guys have the power point? Councilmember pool, do you have --.

[11:12:52 AM]

>> [Inaudible]

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>> Looking at attraction and retaining a workforce and also the idea of a workforce culture. When we started this discussion around facilities back in the early 2010s, Eric and Lorraine riser we were approaching it from perspective financial. We knew we had lots of leases we could get out of it. What we have learned over the time period is we've now explored and started the process is the idea of workplace and work space for our employees and what it means to attract a workforce over time and how important it is, especially in a community we have incredibly low unemployment. We didn't start on that, but as we've gone down the journey it's something we've learned and we believe is a key component and I think council's sd23 in a government that work for all category. This occupancy plan is building a prior successes

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we have been working on. Back in 2012 we initiated the first conversation around facilities in the city. We have put a road map together. Out of that road map really discussing about how we should approach talking about facilities, we created a facility governance team and that's a partnership between finance, real estate and building services since the beginning. I think the collaboration has really paid off internally throughout the organization. We've had some early wins. One was one Texas center, it is and still is the biggest office building we had and we went through and did some modifications so we could get another 100, 120 people in there. Citywide need and space standards put in place. Recently on looking forward on the -- looking at long-term corporate leasing as it mapped into new facility needs.

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Something Alex worked on some of the leases that were coming forward, one more long term and more corporately focused than individual departments. Eric has been working on the deferred maintenance plan and new policy around deferred maintenance. Key, the highlight of our successes have been our first ever p3 approach to new buildings. Just to take a quick chance to kind of update you on those, these are really the first city's p3 office buildings and the first ones done in the stacks. We've had conversations -- state of Texas. We've had conversations with the county in advance of how they went through on the courthouse. What you have -- where it will look like. We are rapidly approaching completion of that project in may of 2020. As a reminder, council approved that in late 2017 so really what we're talking

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about is in about two and a half years going from council approval to negotiating a first-of-its-kind transaction starting construction and moving in. As we stand now, that project is actually about a month ahead of schedule. We're tracking on budget and our expectation is to come in slightly under budget on the overall project. In the interim we then went off and did another transaction for Austin energy. Council approved that transaction in December. Construction initiated in less than six months after that approval. Construction has initiated and that project will open in 2021. Successful models in terms of getting competition driving down costs and moving the risk over to the private sector and so we can focus on what we need to do is focus on delivering services and having a place for our employees. Very excited about these -- where we are on these efforts. Going through the occupancy plan, one of the things we worked on was where were we in this overall effort,

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knowing that we had started off in 2012 with a conversation, we've been doing some work now and really what we landed on. A three-phase effort. The first phase was early in the decade getting a road map in place, getting an idea around governance. Eric could tell stories about we were really one off decision making department by department efforts. And coming together with the road map effort and ultimately the study led us to have a corporate approach for the first time. And that led to some successes, implementing governance in phase 2, the space we talked about and ultimately new buildings are underway, really testing the market and testing this idea and it has worked. What we look at in the future now is to scale up those efforts, using the occupancy plan we've come up with and transition out of lease space. We're going to walk you through why we think that is important. As some context and key observations, this is map of

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where our office facilities are and this study is focused on our administrative office space. We do have other both buildings and areas that we lease. This did not get into rec centers and libraries. This was really about facilities that are majority office space for our employees. It gives you a map of kind of where we are between lease and owned and the amount. We're at 1.2 million square feet of owned space and 780,000 of leased space. Just as a context. There's two red stars are our new buildings for pdc and Austin energy. So really the key observations of this study were that we're at 780,000. We spend \$22 million a year on leases. And those lease costs are in operating budgets, they are not on the debt side >> The annual cost when you look at it of lease space is



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nearly doubled --

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>> Work to do to get to that, we would recommend that we would continue down the path of this p-3 model, it has worked. What the highlight again, I don't know we can stress it enough, transitioning out of space frees up, moves expenses from operating budgets, and we know given the conditions of our budget and the imposition of -- of the new state law regarding our tax revenue on the operating budgets, the ability to move assets over our debt service is really something that this model and the process allows us to do and really from a corporate perspective, it's something that we should strive to do more of that transitioning out of operating budgets knowing the issues around that. So looking ahead, we have some work along the way, big areas is one Texas center, again, currently it's the largest office building but

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the pdc will become that in may. We want to understand what the options are around that. A lot of planning going on around there. We're doing thorough analysis on what our options are around that building, re stacking it, doing a renovation, it's an old building, it is sub optimal in terms of work space for our employees. We need to do some other analysis around town lake centers, Austin energy would end up getting out of that space as a reminder, that was part of their financial plan and looking at value around town lake center, we'll look from a citywide perspective, something that will help us achieve some of that 1.2 million space, Rutherford lane campus as well, the study does confirm that we should continue to look at space there. I notice there's a resolution that council passed around Rutherford lane to think broader and not just about the facility and partnering with Asian resource center and the park S department, and that

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is work we're going to be initiating from a variety of perspective, not only space, but redevelopment opportunities and obviously again with the parks department. So we think that's a really neat opportunity to think differently about that asset that we have up there from multiples perspectives. We want to begin necessary programming work for some of these admin office buildings that would be coming forward this is really getting into department requirements and adjacencies. So we anticipate, like we've done in the past, we want to be rigorous and methodical, do some planning work before we

enter into a transaction and coming back in December with another round of work authorization, some additional work, some back ground work so we can continue this planning work. So with that, we can conclude, and be ready for any questions that you may have. >> Thank you, your colleagues up there. I'm happy to see this plan moving forward, in the office I've been championing

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the need to move from leased space to owned space, the same reason why you want to own your own property rather than rent in the end. It is more cost effective. This is one of these nuts and bolts sort of issues that feels a little bit wonk Y, but is super important. I just want to underscore what Mr. CANALI said about the switch from lease to own , it allows us not only to do things that make more financial sense, it also allows us to retain and recruit the best employees, allows us to interface with our community in a per better way. We started this conversation several years ago through lots of questions over leasing versus owning and our p-3 process, and at the same time that we started the conversation, we didn't have revenue caps in mind, so I want to underscore -- I've had an opportunity to ask most of my questions prior to this, but I do want to underscore that one of the things that happens is

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if we can move from lease to own, expenses that we have right now, that we're paying for leases that are in o&m, move to capital expenses, which frees up dollars under revenue caps that we can be using for other things, over time, this will save money, given that we are in a process right now, trying to find every dollar that we can, so that we can fulfill our obligations under revenue caps, this is really important tool in our toolbox to be able to do that, so I'm very excited about this, in the interest of time, I will let my colleagues ask their questions since I've already talked with you about most of my -- councilman Flanagan >> Thank you. Many of us have been excited about seeing this transition come to play going from lease to own, and it's really exciting to see that staff is projecting that possible in ten years. Like that seems like un believable short timeline

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for government work, so kudo S to y'all on being able to expedite this work. The cost savings is -- those are some really big numbers, and I'm wondering if those numbers include the revenue obtained from the properties that are shutting down, so if we're losing the muni court and the police station and that becomes a re development that generates revenue for the city, this is purely cost savings, lease-to-own. Another area of potential savings, cost savings is if we build more than 1.2 million square feet, because the market will support more than 1.2 million square feet on any one site, I'm thinking Rutherford which is the resolution that I brought forward that passed. There may be additional revenue opportunities by

building out to what the market will provide, and then whatever floors we don't need at the moment can

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be leased out, and that is revenue to the city, or the types of contracts we provide to nonprofits or other agencies in this community were part of that social service contract or otherwise is paying a lease in some other building, that if we brought them into a city-owned building, we could save that from the social service contract, so we could save it from other contracts. So this is just scratching the surface what I think is a really amazing cost saving opportunity and efficiency opportunity for the city and for the city budget. I'm really, really hopeful on the Rutherford lane campus that we can really explore what the market will -- what the market will accept as we talked about during that resolution, it's as job center identified imagine Austin, it's at the intersection of two transit corridors, it's in the center of a lot of txdot redevelopment of transportation infrastructure, you know, whether or not we need -- the city itself needs a million square feet there or what the number would be, I think you could certainly

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lease it, that could be another great revenue opportunity to help -- thank y'all, some really great work here. >> Thanks for the update, y'all. I would like to see -- first of all, I want to say that I agree with what the chair was talking about, how it's best to hang on to our assets rather than sell them where we have significant city operations in place. That may not be the case in every instance, for example, but where we do have city staff in place, we do need to be providing for them the best kind of environment for their work. So I'm glad to see that we're hanging on to the buildings that we own now. When you and lowering the number of the square footage of lease space, I'm looking at page 7, and then page 9 where you have the type owned and leased and the total space, could you get us the rate of change for

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like the previous ten years? You show us on page 9, this slide on 9 shows your expectation for the drop off and lease space, where we essentially flat with the 781 square feet or has that number itself dropped from a higher number within the last ten years? >> If you know how, that's great, but otherwise it would be nice to see the graphs extent tended. >> We can get that to you. >> Thanks, Alex. >> I do recall we did one of the presentations early on on the lead up to the pdc, we were showing the lease, my memory is on powerplant, we were -- powerpoint, we were at 300,000 square feet of lease space, even the last four years, it's accelerated, but it's -- try to get that -- >> It was 300,000 square feet and now 781? >> Yay. To speak to that a little bit, that was based off of knowing we needed time to get out of -- to build these

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new buildings, we went and secured additional large leases from that point to get into the lease space to provide ourselves an exit strategy out of those. >> I think that is an important point to make. May have to handle this sort of thing as well just to emphasize I've preferred this approach, continuing to own those assets that we do have, as opposed to leasing, I was an early advocate, I think for the p-3 approach, and realize that we were taking a bit of a -- it was a bit of a risky decision for the early counsel, this early timeline counsel to trust in the p-3 approach for the new planning center, and development services center, but I think it's paying off in a really great way. So thanks all for your leadership there. You did mention on slide 11, options for one Texas center , because I guess that

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building to useful -- usable life, we could bring back the armadillo. Thank you. >> Councilmember. >> We'll take note of that. >> Yes, me do. >> Yeah, thank you all for the work. I like the assumptions that we're operating under at this point, as my colleagues had said, that we're going to move out of lease, move into owned that were not moving immediately to try to settle some of our assets but the new assumption is that we're going to hang on to them, I think that was all really important. I'm glad to hear the planning building is coming in under budget. Do you have a sense of how much under budget? >> I think a former budget person in all my years would say until we're done. We feel pretty good where it is. Certainly it's going to come in at budget and our goal is to be slightly under budget. It's been really kind of just commenting on councilmember pool's -- it really was a different approach, and it has worked

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out well, in terms of relationship we have with ac C and red leaf and/or Rion -- and Orion and the cost, how they're managing the cost, but it's going to come in at budget for sure, and we'll have further up dates as we get closer to the completion in may. Again, it's -- the fact that it's ahead of schedule by about a month helps drive some of that cost in terms of the mobilization cost they have out there. And we're obviously working very closely with Denise Lucas and her team in getting ready for that transition into that building. We will get you apprised of the cost. >> As soon as you have a sense whether or not it's come under budget, I'd be interested in requesting that information be provided to the council. I'm looking over the thread of e-mails I've had over the last couple of years, regarding the potential for having a child care facility on site, and there -- it was the case that there was space available and utilities in place for it.

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However, the last communication I received was that there's nothing going -- that's going to be left over for the construction of a child care facility, so to the extent that we can bring that project in under budget, perhaps we can implement that council priority of having child care on site, since it's my understanding we have the space and utilities, but it was not cost estimated, when I asked, well, how do you know there's not funding for it, it was said we know we're not going to be under budget this is great news. I hope that that holds. And I hope that will be the first thing we find with that excess. >> Can you tell us where folks can find the strategic occupancy plan? I don't know if it's in back up yet, if it's published yet. >> Get hard copies out to the council, and we'll get it posted, get a .PDF posted on our -- we have a p-3 program office website that we'll get put up there. >> Right. The plan is building off of successes that have happened

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over many years. I wanted to really just highlight where it positions us, you know, financially kind of moving forward when you pull all of the pieces together and you lay out a clear plan guiding us forward. Mayor mayor Adler, did you want to -- >> I can wait until you're done. >> I'm done. >> Okay. I just want to just highlight or just note -- and you mentioned it as you were beginning, the ability to be able to own property not lease it moves the expenditure to the capital side of the budget as opposed to the operating side of the budget, in the world in which we leave, that is an incredibly important thing for us to be doing. >> Thank you. We look forward to reviewing the report and appreciate all of your work on this and on the other elements that help to put us in a better financial position, and in a better position Visa vehicle our employee -- vis-a-vis the employees. >> Thank you, it's been very valuable to us, thank you.

[11:38:12 AM]

>> Do folks want to quickly take those other two items or should we postpone them? Okay. Okay. So we will go ahead and postpone the other outstanding items unless there are any objections. Thank you all for being here we will now adjourn the audit and finance committee, it's 11:38. Thank you.