

Audit and Finance Committee Meeting Transcript – 01/29/2020

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[9:34:02 AM]

>> Alter: Good morning. Is this working? Can anyone hear me? Good morning. I'm Alison alter, chair of the audit and finance committee and it is 9:34 and we're going to convene. On the dais with me are councilmembers pool and Flannigan. Our first item of business is citizen communication general. I don't know if -- do we have any? Nope. Seeing that we don't have any folks here to speak with us, we'll move on to approval of the minutes. Councilmember pool moves approval of the minutes. Seconded by councilmember Flannigan. All those in favor say aye? Minutes are approved as those are multiple minutes. So today we're actually going to start -- did you want to -- okay. Today we're going to actually start a little bit out of order and do item 7,

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workforce development first, because one of our vendors has an important board meeting to get to. So we thought we would just make that simpler for them. So if we want to start with item 7 on workforce development. >> Good morning, chair and council, David Culligan with economic development. I provided a copy of the presentation for your review as well as an item that we're going to be looking at a little more in detail in the presentation. Thank you. Councilmember tovo. So here with me today is Tamara Atkinson with the central area workforce solutions -- capital other workforce solutions. She will be joining me through

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the course of the presentation because we were asked to explore the relationship between the city and workforce solutions more closely via the pass resolution that I'm going to touch on further. But I wanted to give the opportunity for Tamara to -- sorry, to provide an introduction to some of the other members of her board that are here today. >> Good morning, chair, good morning members of the council. Thank you so much. It's anemone to be speaking to you today. I would like to introduce to you the chairperson for workforce solutions, capital area workforce board, Melanie flowers, to say a few brief words. Melanie? >> Good morning and thank you, Tamara. Good morning, my name is Melanie flowers and I currently serve as the chair for the workforce solutions capital area workforce board. I am also the head of technical training for Samsung Austin semiconductor. Workforce solutions and the city of Austin of enjoyed a long-standing productive relationship. We are uniquely positioned

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as your workforce development board connecting local people with local jobs. Our clients are the residents of Austin who are at risk of being marginalized and left behind in our booming economy. We support your agenda to keep Austin a great place to live by connecting people to good jobs. We are the only local agency that administers large scale federal contracts for job training and childcare scholarships so that thousand it is of people may go to school and also go to work in our city. Thank you for your continued support. We are proud to serve as your workforce board and partner. Thank you. >> Great. So today for this quick presentation I'll be operating off of a timeline, just taking you through some past council action and items that we've presented to you, bringing you to our present day recommendation. What I'd like to do is start back prior to 2015 where the economic development office held a contract for occupational training with skill point alliance.

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At that point in time we had a number of service providers that were interested in working more closely and collaboratively with economic development because of the nature of our deliverables and their services directly aligning. So we were asked by council to bring forward an rfa process, a request for applications, where we were going to delineate the rules and responsibilities between Austin public health and economic development. At that point in time we actually executed the rfa and we acquired management of another long-standing contract with capital idea, but our rfa was focused on short-term and long-term workforce development opportunities. In 2016 and 2017 we had a deeper dive into these economic development services via the audit report, which I'd like to go into a little more depth. There were several major themes in the findings of our audit report focused on the lack of planning and

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coordination across the organization, the need for consistent goals and measurements be in place across the organization as well, but we also needed contract measures and monitoring more frequently than what it is the auditor's office was seeing. We were also asked to provide more reliable data through those monitoring and auditing efforts, and we were also asked to look more closely at the needs of employers to be able to streamline more of these services. What the audit did clearly was communicate a long-standing question for leadership. Should we spend limited resources on data and the measurement much outcomes or should we spend those limited resources on increased opportunity for participation in our programming? Regarding the actions taken following the workforce audit, we assembled an interdepartmental team to start working through the inventory not only of services offered by the city

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of Austin, but also our performance measurements and outcomes. We began researching a workforce development roadmap, which was also requested by council, and we conducted several different audits not only of our service providers, but also within our teams that were administering programs. We convened feedback from all of our providers. We even considered pay for performance opportunities as well and we initiated the process for adopting the community workforce plan. Some of the lessons that we learned during this time I think are very telling for what you're going to see later in the presentation because it's a number of things that some of our peer and aspirational cities have also learned. We do need to clarify our goals, especially our definitions within this space. We were looking to identify stronger employer needs and create a community embraced definition, especially

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around more of our targeted industries. We're looking at how it is we can better track those outcomes and of course leveraging the city's contribution within this space is something we certainly should address as well. Coming back to the timeline, in 2017 we actually met with you all to be able to adopt the master community workforce plan as a part of imagine Austin because there were several deliverables within imagine Austin that asked us to look more closely at the development of a pipeline of workforce. In 2018 and 2019 that under departmental team continued to work on a number of those items that I previously mentioned and then we received council resolution in 2019 asking economic development to help workforce solutions to address a gap in funding needed to support their new location in Austin and the movement to that location. But we were also asked to come back with our recommendations for a

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stronger relationship with workforce solutions, which will bring us to our recommendation later today. >> So I'd like to jump in here, David, thank you so much, and thank you again for all of the long-standing support of workforce solutions from the city of Austin. I want to go back for a moment to the master community workforce plan. We are the first community, you are the first city in the country to adopt a metrics driven common agenda around moving people out of poverty into good jobs. And workforce solutions could not have done it if it hadn't been for the city and your support. And I'm here to tell you that the headline is we are on track to meet our goal of moving 10,000 people out of poverty into middle wage jobs by the end of 2021, and it is specifically because of your support and our work together collaboratively in this community. I also want to call out the fact that the city has been a long-standing supporter of workforce solutions. The interest -- no-interest

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us last year allowed us to open the state's largest career center, labor exchange center, in north Austin. It's actually located in east Austin where we serve thousands of job seekers every single day, helping connect them to good jobs and opportunities. And it would not have been possible had it not been for the city, your support for what we do. We are uniquely positioned also as an organization to be able to not only be your partner in helping lead a workforce strategic plan, but we're the only entity in your community that can match federal dollars and bring it back for critical services such as childcare scholarships and workforce training. We work very collaboratively in the community with our community-based organizations as well as with our sister workforce board in the rural capital area which serves Williamson county, of which many city residents we share that service area making sure that we work as a region to see that all of our workers

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and all of our local employers are able to get access to the skill talent they need to grow -- to continue to grow our economy. >> That's a great segue to platform our next slide, focused on how it is our workforce roadmap research would work together with the community plan just reviewed by Tamara. Of course, we didn't want to create another plan that had more deliverables for staff. What we wanted or what we saw through the workforce roadmap were a series of guiding principles so we could sustainably address the needs of working within this space. More of a framework and a series of definitions to guide how it is we are looking for specific outcomes. And we had this discussion with you all during the may 22nd work session where we were taking of you several of those council items. >> So David, if I can add, I would like to add that as I noted we are on track to move our goal of moving 10,000 people out of poverty

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into middle wage jobs by the end of 2021 and there is a but-for. And the but-for is there is still a lot of work to be done and we need to double down on specific efforts and in particular our greatest opportunities are to continue to flag and bring the right educational supports to our low income students. We can see from the data that when we have critical partners such as capital idea, such as still point alliance working with us, we're able to braid together resources to serve clients better, whether it's with childcare scholarships or with job training scholarships. And being able to flag, identify and support those low income workers ensures that we are having an equitable workforce that continues to meet our growing economic needs. Secondly, we see an opportunity again with our community partners to work with business differently and better to look at how we continue to grow skill sets. Call it up skilling while people are on the job, so that as a community we're

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prepare the workers to go to work and then in partnership with businesses we're continuing to grow those worker skill sets on the job to bring value to their employers as well as to the jobs -- the workers themselves and so that they may also see their wages increase. All of this is as a result of the planning work that you all supported and endorsed under the master community workforce plan. >> So to take you through more of the elements of the timeline, I wanted to show you all the inventory of services that we were able to collect as recommended by the audit of 2017. You can see here that we connected with a number of other departments across the organization to include their items within our inventory. And of course, what we looked at in the first series of check marks to the right is now the outcomes align with our standing definitions of workforce development that are typically used in economic development and the Austin public health space or more of our social services.

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We then worked beyond and looked at the inventory 2023 outcomes and you can see how more of the goals and measurements are connected to economic development or economic opportunity and affordability. And for several departments to achieve a variety of employment in different spaces. I wanted to go through a few of the key points here. The first is we all have experienced the issue in defining workforce development and each of our peer cities certainly articulated that clear communication are definitions is something that they felt they needed to strengthen as well. In all the cities we found the role is not to provide direct programming, but to actually offer or dictate the planning process for that programming. Each of which spoke highly of the connection with their

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workforce board. The administration of these funds we're seeing a lot of duplication because we've got a number of parties that are taking advantage of the different funding that's available in different parts of the organization for different uses or for complimentary purposes. And what we saw clearly across all of our peer cities is that they do not provide those direct services, they will actually administer out and collect metrics or measurements like it is we will be proposing. It requires a significant amount of data being collected from our workforce solutions office and it is also supported by the state of Texas which has a number of performance measurements as well. So we know that a number of these boards, especially those within the state of Texas, are operating similarly to be able to collect this type of data in-depth. So that information takes us

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to our recommendation today and that is economic development recommends shifting the administration of economic development, workforce development funds to the local workforce board through a cooperative or interlocal agreement under code 791, executed to ensure continuity of services by soliciting funds prior to the expiration of EdD's remaining contracts extensions which occurs in October of 2021. Current contracts would be unchanged until this time. Justification for this recommendation aside from a number of the points that were illustrated through best practices and the connections between the audit and their findings, we see this as a mutually beneficial relationship. Workforce solutions ultimately has the ability to provide information that helps us to clear the void that was articulated clearly through the audit and it's

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win-win in terms of the city not having to address are we going to spend more money on reporting with our service providers or will we be providing enhanced participation. This also aligns our strategic direction outcomes and we find or we believe that we'll be able to alleviate service providers of the primary data collection that they're currently having to do for aggregating and reporting outcomes directly to the city. We look at operational efficiencies as well because I mentioned the city, the county, we're all investing in these spaces and by streamlining we will have a partner who will make sure that we do not have redundancies and we are efficient in our portfolio of services within the austin-travis county area. And of course, leveraging of funds, workforce has -- workforce solutions has proven they have the ability to do so around the master plan where they currently have brought in about \$1.1 million to support administrative efforts around the plan as Tamara

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spoke earlier. But beyond that we know that we have the opportunity to be able to pull down 50 cents on every dollar that the city invests in workforce. That is associated with snap participation. So if we can show more of this alignment between the dollars we're investing and the individuals that we are investing in, we'll be able to draw down more funding from federal government that will allow us to strengthen our services. And finally, oversight is available not just through the diverse board that is made up of workforce solutions, of industry leaders and executives, but also economic development is appointed a seat on that board as well so the city will be able to monitor our investment on a frequent basis. In terms of reporting I wanted to highlight the difference and how it is that the city is currently reporting our outcomes and what it is the city auditor's office saw as a need to be able to provide stronger outcomes and

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certainly that would be very hard for some of our current service providers to do. They're already spending a lot of time and resources to be able to spend time and information on what the city is offering. So we're able to highlight what it is that the reporting from workforce solutions could really supplement what it is we're currently collecting. >> So there are three words I'd like to use when we talk about data. The three words are transparency, visibility and accountability. Workforce solutions is uniquely positioned to access, analyze and evaluate data on workforce clients that we serve through our system. While data on compliance is typically only as good as what the input is, the advantage that workforce solutions uniquely has is that the state of Texas database that we use to manage our client accounts is populated by systems that don't require additional data entry by community providers or educators. For example, we have access to unemployment insurance wage data to verify

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employment history and wages and have visibility into public assistance history such as snap received or temporary assistance for needy families, tanf for clients. The database also provides visibility into childcare assistance, providing us with rich and important data insights to help support clients to their best outcomes. We don't just look at data to admire the data, we use the data to inform and make our systems better so that we can meet our strategic plan as a community toward moving more people out of poverty into the good jobs that are growing in our community. We have several here that can talk to you about this. We would like to get your feedback on economic development's recommendation before we actually look at

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implementation or execution of this particular activity. >> Alter: Councilmember Flannigan. >> Flannigan: Thanks. I'm really excited by this direction. I wanted to just clarify a few things that I heard y'all talk about. One, the -- can you better explain why workforce solutions is the entity for this partnership? My understanding is that it is uniquely positioned in a number of ways, but I would like to focus that just for a little bit. It's not just we're picking a non-profit at random to do this. >> Absolutely, thank you, councilmember. So since the mid '90s workforce solutions has had an intergovernmental agreement with the city of Austin that allows us to administer state and federal contracts for job training and support. So through that unique intergovernmental relationship we are the only

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entity that can receive those contracts, administer those contracts. We administer them at the will of the city and the county judge. Judge Eckhardt, the county is also party to that intergovernmental agreement. So we are the only entity that can administer these job training resources, these subsidized childcare resources and per legal review, we're the only entity then that has that unique position in that workforce development space with the city of Austin. >> And additionally, your organization does not provide any direct services. You only manage contracts with other providers. >> Yes, thank you for that clarification, councilmember. So workforce solutions is prohibited by law from delivering direct services. So the staff and I, my team and I, we are administrators, planners, brokers of the contracts

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that run through our organization and then we enter into vendor partnerships in the community with those entities that can provide the services. We are not a competitor with any of the direct service providers. We do not compete with Austin community college for example or any of the other community based organizations. We work in a contractual pip agreement whereby we oversee the performance in those negotiated contracts, the budget. We then are able to bring the -- pull the data together across all of our contracting to give you all visibility into the talent pipeline in our community, but we are not a competitor with any of the direct providers in the community, even though we are organized as a 401(k), we do not -- 501(c)3, we do not compete in the same space. >> Flannigan: You had a bullet about oversight that

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talked about EdD having a site on their board. But I'm interested in the transparency and oversight that comes from a privilege look at these programs across the region. As we move towards these outcome based metrics in our sd23, we're trying to find outcomes, not just how the dollars get done, but how the community is moving forward. I find that to be a more transparent and more powerful oversight

mechanism to have a single entity whose responsibility it is to manage all of the contracts. David, can you talk a little bit about what the contract with workforce solutions would mean in terms of the council's oversight and transparency to outcomes? >> Yeah, absolutely. What we would like to do is look at the outcomes that could assist us with the reporting. So what you've provided with strategic direction 2023 is a strong scaffolding of what is provided through that interlocal agreement. We expect some of the outcomes that we listed

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previously here which allows us to take a deeper look at the individuals going through this programming. Their success and then factually be able to focus in on that and the development and creation of more jobs that we can connect those individuals to. >> Flannigan: And that's something that has been harder to do when we kind of piecemeal. >> We do not have access to unemployment information through city government, only unique entities are provided the ability to access that information and workforce solutions is that unique entity for the capital area. >> In the city of Austin there are only three entities that have access to that information. The Texas workforce commission is a state agency that happens to be in Austin. The university university ray Marshall center does have access to it and workforce solutions. We're the only locally focused entity that has access to that information. >> Flannigan: That was going to be my question. I'm glad you got there. The data resource us have access to are not available to the city and I think that

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would surprise folks that there would be some database available to one government and not available to another, but that is in fact how it works. >> That's right. And thank you, councilmember. The charge of workforce solutions is to have that broad coordination role where we are able to use, have greater visibility into the data, councilmember, to be able to create a dashboard of what's happening in our community to ensure that people are getting the right services at the right time and data is king and access to that information and our ability to bring it all together and bring greater visibility to what's working and where we have opportunity to scale on behalf of our community. Workforce solutions is hyper focused on local jobs for local people. We are in your community, we're working in your community, my board of directors is of your community. We are about how do we help make our local community, our local residents who are vulnerable of being left behind, how do we ensure they have what they need to compete for and get the jobs that are being created in

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our community? And we use data to make that happen. >> So I would also say beyond the data itself that we will look to have workforce solutions report back to the city. We want to be not so prescriptive about the services that will be offered because we understand the ebbs and flows within this space, especially working with industry. The board will have to oversee a portfolio of programming available, but also we're hopeful by leveraging funds we'll have additional dollars so they can better address scaling and new services to support our community providers. >> David, if I may, I want to underscore what you just said. Workforce solution is the only workforce board in the state of Texas and therefore the only entity in this community that can match resources, non-federal job training dollars that are spent on snap recipients to be able to bring down 50 cents on every dollar of

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non-federal funding that is spent on those individuals. To date we have brought down in a proof of concept nearly \$200,000. We know that one peer city in Portland, Oregon, the only other workforce board we know of that is doing this, in the last two years has brought in two million dollars with no new money expended from their local government to build out and scale the local training pipeline. In Austin we are driving a truck through that opportunity and see very real opportunity to match the city dollars that you are already spending on workforce development contracts and work. No new dollars from the city, but bring in more dollars to scale the efforts we agree together and the challenges we want to meet together. >> >> Alter: Thank you. I want to hear from the citizens who are signed up. We have two people who are signed up if you would still like to speak. We have Mr. Jacobs and Mr. Saenz. Mr. Jacobs, you're up first

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in case you had a particular order amongst the two of you. You will have three minutes. >> All right. Thank you. My name is Steve Jacobs, executive director of capital idea here to speak on the presentation you just heard. We've not heard of this before. What we are here is to speak -- to add some information to the auditor's report from November 2017. This is one of those small points that really is a large issue. And a large opportunity. The auditor in the report raised a question, wondered aloud if spending \$41,000 to train a nurse was a good investment of federal dollar grant that came through Austin public health and was administered by capital idea. At that point they did not have the information from the evaluator. In October of 2018 the 30-party evaluator looked at not only the cost, but also the benefit, and came to the conclusion that there was a

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950% return on investment for that \$41,000 per person. And the investment came because you're training a nurse and we would make the argument that training more nurses is our community's biggest opportunity to attack and succeed in a number of critical issues, the affordability crisis, the workforce crisis and the equity crisis. So we want to introduce into the record both the evaluator's report, outlining primarily through the permit expansion of the ACC nursing program for people of color. It has resulted in continuing benefits from that \$41,000 spent now 10 years ago practically for each of the nurses in that pilot group.

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And then our argument that -- we've talked about this, you know, with the workforce board and with others that the biggest opportunity for the community workforce master plan is to double down on ACC's reduction of registered nurses. There's 1300 gap between what we produce locally and what we need each year in terms of new needs, but yet each nurse gets paid \$55,000 a year to start and then goes on from there. So if we were to take and get all 1,000 nurses coming locally rather than bringing them in from all over the country, that would be a huge dent in affordability, our growth, our workforce crisis, our health care crisis. So I'm going to leave that information with you. We'll be talking more about that. I'd like to turn this over to our board member who -- >> Mr. Saenz, thank you.

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>> I am a recent appointee on the board with capital idea, so I am just learning a lot about what's going on here. I just would like to say that I have spoken to people who have gone through the program and their stories just amaze me how they have -- one woman in particular that I have spoke to talked about how she had started out working at a hospital in the cleaning department and she went through capital idea, became a nurse and even went further to -- she ended up teaching nurses. And her income was just increased to where it just changed her life and her family's life. I still have a lot to learn about all this, but I really believe in what capital idea is doing. >> Alter: Thank you. Can you just state your name for the record. >> That is Enrique Saenz,

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produced like signs. >> Alter: Thank you, gentlemen, I appreciate you being here to speak. Do other colleagues have questions or comments? Councilmember tovo. >> Tovo: Not for our speakers, thank you. I have -- is that what you meant, for our staff or for our speakers? >> Alter: I meant for our staff. >> Did you have questions for our speakers? >> No. >> Tovo: I have questions for our staff, please. >> Thank you for your time. >> Tovo: So thank you so much. This is very helpful to all in one place. It seems in some cases we're providing other kinds of supports to the organizations. For example, in regard to

urban roots, we're providing a very low cost lease, almost entirely subsidized in terms of letting them use a tract of city owned land. And I believe there may be some other support for some of these organizations. It might be useful to kind of see all our investments

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in workforce. I would regard that too as an investment in that particular workforce development program. I did wonder too, some of these -- could you provide me with some more information about Easter seals and the kind of contract -- and that contract in particular? >> Sure. That contract is facilitated through Austin public health so I'll have to ask Adrian to please answer that. >> Good morning, Adrian stirrup, director Austin public health. The Easter seals contract focuses on what we call the hard to employ population. So the it could range from anyone who has an intellectual disability or maybe has a criminal background and so that program really provides the

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workforce training, but the social supports that it takes for the person to be successful in the workplace. >> Tovo: So any of the programs that we're doing through some of our -- thank you, I appreciate that. I know a little bit about that program and it sounds like a really necessary one. It wasn't clear to me whether those were some of the same, whether some of those who were part of the contract were also some of those employed through the partnership with dps? At one point I think that dps was employing people through Easter seals to do cleanup work under the overpasses. So I guess what I'm trying to do is make a distinction between some of those contracts where we are directly employing individuals and we have an expansion of those right now. And the ones that are actually providing training. >> So restate your question for me. >> Tovo: So I guess would

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it be appropriate to include any of the contracts that we have say through the downtown Austin community court, through our watershed contracts, through some of the -- what are the names of the other ones, foundation? Those are employing individuals and I don't see them listed on here. So I'm wondering -- that's a contract for employment, but there's a -- I would assume there's a certain level of training involved in that. >> Right. So that's some of the conversation that David was talking about making that through development services. And because of the unique needs with specific populations that those programs that you listed require, there is a training piece, but again it's that psychosocial support that are is also layered on top of that so that the person can function and be successful in a workplace environment. So that's kind of why we're

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carving out those distinctions. I think as the plan develops we would like to look at it as a continuum, like the -- like you enter into those programs and you get the supports you need and then you move forward to where you could then progress to a program that is sponsored by the workforce development dollars. So I mean, it's in development, but we're trying to make sure that we are meeting the needs of those folks that are ready to be middle wage earners, but also making sure that we're taking care of needs of those folks who are not quite there yet because they have other circumstances that prevent them from being at that point? >> Tovo: So I guess the rationale for not having some of those other programs included within here is that they're not providing enough training to qualify those programs as workforce training? >> We're trying to make a distinction between what is social services and what is workforce development. So it's a social service program that has a workforce

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component, but the main focus of those dollars really is about the intercertainty development of that person rather than the skill development. Does that kind of make sense? Like the other one foundation is a workforce development program, but it really is -- focus is on moving people out of homelessness. So that's still in the homelessness bucket but there's that workforce development piece that's interwoven into that. >> Tovo: I understand what you're saying. I'm not sure I see the distinction quite as clearly. And I want to be clear as we're talking about our workforce investments that we're looking at all of those opportunities and the extent to which -- thinking about them as -- as a continuum as you suggested might suggest ways that certain programs and the way they're organized could include and inform and really strengthen some of our other programs. So when we think about them in silos it may not

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necessarily -- >> I think it's an iterative process where this is our checkpoint to make sure that our assumptions match what you're desiring. As we continue to talk between departments we'll figure those things out. But this first one was the easy to distinguish. As we go and as we develop those programs and as we look at what are the core outcomes that we're trying to achieve and where there's alignment, then we'll make adjustments as we go. >> Tovo: Thanks. The other question I had for you is whether this really captures all of our internship programs because I thought some existed and I'm not remembering some of the names of them, but it seemed to me that there were -- that there were workforce opportunities for youth in multiple departments? And I'm not sure that this one program captures all of them, such as the one at the airport that councilmember pool had helped sponsor, but there were

others out there. >> Councilmember, Veronica Briseno. We understand what you're saying. We think that internships

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are a key part of this. This is a piece of what we're looking at going forward. Part of it is workforce development and we're looking at internships being part of that. To the previous question and this one, I think this is the first step and the next step is to do a deeper dive. As we're looking at workforce development, it should be in terms of everything that we as a city provide, including some of the other programs such as the other ones and then in addition our internships that we have as well. >> Tovo: I guess what I'm saying is I see high school summer internship programs on here as under Austin public health. I believe we have internship programs in multiple departments around the city and I think they should be accounted for as we're looking at comprehensively what we do as a city. >> So as I spoke to efficiencies earlier, I think it's really important to highlight here that we have limited amount of resources working within this space. And what we acknowledge by doing this research, best

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practices of other cities, is that we have yet to even begin working in certain communities for this city in economic development. Internships are a great example of that. And so by formulating this type of agreement we free up resources to be able to focus more on internal workforce development, internship opportunities and stronger collaborations with other departments in different audiences. >> Alter: I just want to do a time check here because this presentation went longer than it was supposed to go both in terms of the presentation and the conversation. I don't want to cut off conversation, but this was kind of put on our committee because they had nowhere else to go, but it's taking a lot of our time this morning and I don't want to cut off conversation, but I just want to ask my colleagues if we can be brief. And in the future if departments are going to put things on our agenda that we can be really clear on the time. We were trying to

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accommodate workforce solutions that need to go to a board meeting. This was originally supposed to be at the end, which would have left us whatever time we had. So I just want to flag that for my colleagues. Mayor Adler and then councilmember. >> Mayor Adler: I'll try to stay within 30 seconds. I'm happy to see this happening and I think it reflects a work that has begun regionally, following from many of the discussions we had as a discussion going back four or five years. The county's been involved in this. This is one of the areas where we had real cooperation between the city and the county to do great things. Literally we put all of the workforce folks in the same room four years ago and we said don't

come out until you can come up with a metric and a criteria that would align everybody's spending. Everything. I think the goal of 10,000 people out of poverty was really ambitious. It's exciting to see we're on track for that, but it's only happening that way because of the alignment. And I think this further

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aligns us in ways that are just critical to meeting the regional goals, but I just want to say out loud thank you to Travis county and to the employers and everybody that's been involved in getting everybody working together on the same page. And I'm real excited to see us moving this direction. >> Pool: And Mr. Culligan, I think what councilmember tovo is simply asking to the high school summer internship program is if you could list the airport underneath there, not just public health, so we have airport and also the convention center, those are the two programs that we piloted a couple of years ago and they've continued. I believe they're continuing. We should double-check that. And there may be others. The point is it's more than public health that's doing those. And in fact, if that's an area that you want to expand, then it would be really helpful to know where all it is currently so that we can have a starting place for any expansions. >> Absolutely. >> Pool: Thank you so much for all of this. I agree it is a really interesting proposal. I appreciated getting to

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meet the workforce solutions folks on the trip to Minneapolis. It was really instrumental in understanding all this and taps back to my years with then it was the employment commission. It's now the workforce commission. And the connection directly with workforce solutions is that specific tie-back to the community that then pulls in all of the other entities in Travis county. So I think this is a really useful partnership and I look forward to seeing this developed out further. So thank you. >> Thank you. >> Alter: Thank you. And I'm just going to make a couple of comments really quickly and I'll have to take my questions offline. I'm intrigued by the notion that we can bring down the snap dollars and the concern that we haven't been doing it previously. And I think about the other ones foundation, if we have programs that we could count as snap that we're spending millions of dollars on and could get 500,000 more for as by matter of some random definition, we need to be looking at that. I do have some reservations

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of delegating this to workforce solutions because I think their particular needs that we're trying to address. I think that this -- I did not hear a whole lot of stakeholder input from the folks who are on the contracts being part of these discussions. We had at least one contractor here today who said they

didn't know about this. And so -- and as a committee I think we just got the backup so we had no way to review it or vet whether there were any concerns in advance that we would want in there. So I'm going to hold off on putting my recommendations in on whether I think this is a good idea or not. I appreciate the work that workforce solution is doing and the need for the regional work, but I think -- I need to know more than what I have at this point in time. So thank you for being here. We're going to move on now to item 2, city effort. Thank you for being here.

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We're going to move on to item 2, city efforts to reduce carbon emissions audit. >> Thank you. Feels a little strange members in chambers. We're adjusting. But this audit was led by Katie Houston as the manager and Kelsey Thompson was our auditor in charge and she will be presenting today. She has the clicker. >> Good morning, my name is Kelsey Thompson and I was the eater in charge of this audit. We focused on the city's effort to reduce carbon emissions from transportation N August of 2019, city council declared a climate emergency. Part of the city's strategy to address the climate emergency is to reduce carbon emissions. The city has two carbon neutral goals for municipal

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operations to be carbon neutral by 2020 and for the community to be carbon new actual by 2050. The city has made significant strides towards meeting the 2020 carbon goal. Carbon emissions decreased by switching to renewable energy in 2010. Because of this the city is in a position to meet the 2020 carbon neutral goal with the purchase of carbon offsets and the office of sustainability is exploring options to buy the offsets. It is good the city is ready %-úto meet the goal in 2020, however municipal emissions are only 0.4%, less than half of a percent of the community's emissions. The significantly more challenging goal is to be a carbon neutral community by 2050. We focus on that goal and particularly on the energy generation and transportation sectors as these made up 90 percent of the community's emissions in 2017. The first finding is that Austin energy is reducing

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carbon emissions from Austin energy generation on track with the 2050 carbon neutral goal. Austin energy's resource plan sets a goal for renewable energy to supply 65% of customer's energy needs by 2027. In 2019 37% of energy was from renewable sources. Austin energy projects that to increase by 61% in 2021 because of a recent agreement to buy more wind power. Based on these projections Austin energy will be close to reaching its renewable energy goal six years ahead of the targeted date. Additionally carrying is working to -- Austin energy is working to reduce carbon emissions according to the resource plan. Austin has a high percentage of renewable energy generation compared to these

peer cities that own their electric utility. Seattle is unique and uses almost entirely carbon-free hydro power. The second finding is that the city has efforts in place to reduce transportation emissions.

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However, it is still unclear if the city will reduce transportation emissions to the extent needed to meet the 2050 carbon-neutral goal. People need to drive less in gas-powered cars to achieve the 2050 carbon neutral goal. About 75% of people in Austin drove alone to get to work in 2018. The city recently created the Austin strategic mobility plan which has strategies to achieve the goal of reducing the amount of people who drive a car to 50% by 2039. However, it is difficult to know if the city will reach this goal as a city does not have direct control over whether someone decides to drive alone in a gas-powered car. In addition to driving alone less, people adopting electric vehicles in greater numbers will help meet the 2050 carbon neutral goal. The city is doing several things to promote electric vehicles. Austin energy provides rebates for residential charging stations, recently created an online electric vehicle buying guide and has other social media and community outreach efforts to promote electric vehicles. However several peer cities

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have electric promotion efforts that Austin is not doing, such as offering rebates for buying electric vehicles or establishing an ordinance that requires new parking developments to have charging stations. Many actions are needed to reduce community carbon emissions and the city is already considering many strategies as part of the Austin community climate plan update. We recommend a few efforts regarding electric vehicle promotion that we came across through our peer city research that the city can include as part of its other efforts to reduce emissions. Thank you and we're happy to take any questions. >> Alter: Thank you very much. Any questions on this? On this audit? Mayor Adler? >> Mayor Adler: Thank you. Thank you very much for this. Obviously a huge priority in this city. And I think it's good to find out where we're on track to meet our goal and where we're not. I think that's really important thing for the community to be able to have

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have. One of the things I was hoping to be able to get in this would be an evaluation of the effectiveness of the things that we're doing relative to one another, relative to things that we could be doing. If we have one dollar to spend on climate change mitigation, what would be the best way for us to spend it? So we have programs in the city that are looking at things we can do to help with that, and I don't know where we should be spending the dollars. Should we be spending it on electrification of vehicles? The report notes that we're spending money and have a successful program to encourage city employees to

get out of their cars, but not -- but not an indication of whether or not that's successful or not or whether or not that is a wise way to spend money. It could be that the stuff

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we're doing with Austin resource recovery is the most cost effective thing that we're doing and we should move our climate change dollars to that area because it's driving results and better helping us meet our goals. Or we should be spending all of our money to electrify our fleet as quickly as we can because that would have the biggest impact on transportation. So I don't know if it could be part of this audit to talk about the city efforts to reduce carbon emission in a way that deals with how we're spending our money and which things are most effective relative to setting priorities or figuring out what it is that we should be doing if that's our goal. And I was kind of hoping for indications of that in this audit. Did you do any of that kind

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of efficacy work that would help us know where to spend our dollars, what we're doing that works, where we're not spending money, but might help us better achieve the goals of climate change. It's that effectiveness that stuffer that would be helpful. >> We looked at many different strategies that the city is doing and in energy and in particularly in transportation. The reason that we focused on electric vehicles is in the transportation realm so many different players are involved in reducing emissions not only in the city, but other government organizations, residents. We focused on electric vehicles because it is something that is largely in the city's control that would have more immediate carbon reduction victims. >> Mayor Adler: So is that better for us for climate change mitigation than the money we're spending say on Austin resource recovery? The dollar spent in each of

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those two areas, what are we getting one relative to the other in terms of climate change mitigation? >> We focused our work on energy transportation and transportation because we know that's 90% of the emissions, at least based on the 2017 data. So far since that represents the bulk of the emissions, dollars spent there, presumably might be a better investment. Probably if there were unlimited resources spending money everywhere would be helpful, so I guess I wouldn't say we should stop funding Austin resource recovery efforts. But we know the kind of bigger bulk of the emissions are in the transportation realm so our recommendation speaks to that area. >> Mayor Adler: So it's getting data behind that to really help to understand that choice? I'm not recommending we don't spend money on Austin resource recovery and I probably shouldn't have pulled that out as an example because it's going to be messaged

that way, perhaps. But knowing where we should spend our money relative to other things I think would help direct us. You know, the c40 group has

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been going out to cities and saying you're doing this whole array of things in the name of climate change, but if you were to just concentrate your money in this thing in your city you would have the greatest impact and the best chance of meeting your 2050 goal. And that kind of analysis of what -- where we're spending money across the board. And my last point real fast is to the degree that you did focus on generation first and then transportation, which I think tracks the numbers, and putting aside that I take money out of other things and put them into that, if we get a greater bang for the dollar on that, it seems as if one of the things that we're contemplating doing that is the most significant impact or -- I don't know that -- could be a relatively high impact is the move towards transit and getting people out of their cars. We have project connect plan that we're going to be taking to the community. So having this report address city efforts to

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reduce carbon emissions with something that is under consideration right now, and a huge spend of a community, would also be a really valuable evaluation that I think should be part of this kind of analysis. I didn't see that. Clear I didn't see that. >> Alter: I wanted to -- did you want to respond? >> I was going to defer -- >> Alter: I was going to invite them if they wanted to have any response to that I think you're the department responder, but I think you might be able to address the mayor's question, and it seems to me that the climate planning process that we're going through for the update to the climate plan is exactly where that prioritization is happening, and that will be in time for a

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verdict with respect to the value of moving to transit as well, get us up to speed. >> Mayor Adler: That's good, I don't know whether it's here or there, the scope of this was really broad, how effective are city efforts. And I think we still -- there's an element that I still want to get to, either in this or in the next -- it just -- how effective are our efforts with what we're doing would be helpful. >> Hi. I'm with Austin sustainability. We did a cost, like a cost per ton analysis of our previous climate plan, back in 2017, and we looked at kind of the major actions in energy and transportation and what would be the impact that would be achieved in CO2 emission reductions versus how much money would be spent from the city, so you end up with cost per ton, which is like a metric that you can compare

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different actions from. And the Austin energy actions are more certain to be achieved. With transportation, the challenge comes sort of in two areas in doing that analysis. The first one is where do you begin and end with costs and benefits -- right? -- Because we spend money, the community spends money -- benefits in carbon are achieved but also benefits are achieved like with congestion reduction, it becomes really complicated really fast. But we did that analysis, and the two areas that we saw were the biggest opportunities getting people on transit and getting people out of cars, and then investing in programs to help people get into electric vehicles. And that's what the audit also found. And just as councilmember alter said, so that analysis was done a couple of years ago. We are right in the middle of the process right now to revise the

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community climate plan, and cost effectiveness and comparing actions in terms of the results that they're going to achieve is going to be part of what's going to be brought forward in that new plan. So hopefully when that plan is brought forward, it will have prioritization based on effectiveness in these different areas. Like I said, it gets really complicated really fast because, for example, one example this time around we're focusing on creating benefits for racial equity as part of our plan. And when you start balancing equity considerations versus environmental considerations versus traffic congestion and all those other things, you kind of -- you have to choose in, like, a multicriteria kind of way, like, what's most important. So we're hoping to show that and show that work in terms of what actions create what benefits in what areas so policy majors can decide what we end up investing in. >> Alter: Councilmember pool.

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>> Pool: Yeah. Thanks for that. I think that's exactly right. The city -- our role, I think, is to lay out the concerns and the direction that we want our community to move in, but we can't force private decisions on certain kinds of, let's just say, car purchases. What I would like to see -- that doesn't mean that we ever falter in our efforts to try to be ambassadors and advocates for doing so, and then crafting programs to the extent that we can in order to help elevate those concerns and make it seem easier for the private citizen to say, yeah, I know what I think I can afford to do that this year. What I'd like to see in some of our programming moving forward, that maybe the office of sustainability could help us with, is tapping into the private sector, help -- have them help us convince their employees and bring incentives and rebates and financial support to these purchases. The city can't -- I mean, we want -- we want to end

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homelessness, we want to get everybody into -- onto transit and we want -- you know, the city is absolutely correct in all of the policy directions that we are heading, but by definition, we are very broad-based. We have to touch down in every single category and all of the subcategories. So as a thought leader and a policy direction pioneer, I think we absolutely are on the right track, but we can't do it alone. This is yet another area where the -- the appeals to the private sector are going to be important for us to make any change to the massive percentage that is the private vehicle ownership. We can address the low-hanging fruit, where we have immediate controls and we're doing really good work and expensive work converting our fleets and convincing our employees to make different transit choices. The partnership with the private sector I think is where we need

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to go, in a more robust way. >> Absolutely. And beyond just individuals participating in the revision process, we're convening a large business, large institution working group as part of the climate plan revision to get those commitments on the big -- the big, important things that can be done outside of just city -- city activity. >> Alter: Thank you. Did you want to add any more in response to that? I would love -- I don't know which office this would be -- I'd love to know a little bit more about Seattle's success. Does a municipally owned utility that is effectively carbon-free already -- what they're doing that we're not doing? >> I think one thing with Seattle is, they are able to take advantage of their geographic resources that we don't have regarding hydropower, and without as much ability to have hydropower, we're in a different

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situation, a different geographical context. So -- but other than that, we didn't look into specific strategies that -- things that we could actually do other than that mean geographic difference. >> Alter: Okay. Thank you. And then a question for the sustainability department. Insofar as we're looking at emissions levels and getting to net zero for the whole city, how are we taking into consideration our other governmental entities? So how are we, you know, working with the state? Do we know what level is, you know, state emissions that we would have to control, whether it's the state government or U.T. Or if it's county government, is that something you're looking at with the climate plan? Because there may be things that are targeted for us in the cases where we are the energy provider to help with those efforts. >> Yes. So I'd say that there hasn't been

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coordination with the state on climate change activities. The county is participating extensively in the climate plan review. There's members from Travis county government that are participating in almost all of our working groups, so that's a positive sign. We've also reached out through the capcog's clean air coalition to other cities in the region. I gave a presentation to that clean air coalition, which is made up of councilmembers and elected officials from many cities and counties in the region. We only got one -- one hand of interest from the city of round Rock, so Round Rock is participating in the process. And I imagine that I'll go back to that clean air coalition and update them on our progress, but there wasn't a lot of interest in participating. >> Alter: So when we did the -- did you want to -- >> Hi, I'm chief sustainability officer. I was just going to add to what

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Zach was saying, and, councilmember, to your question, you mentioned the university of Texas. So we are in very regular communication with them, and in fact some of our current conversations with them relate to their role as a major employer, so a quasi corporate organization because they have a large carbon footprint because of all their operations. What we're thinking of, Zach alluded to, kind of convening a lot of corporate regionally, you know, large employers to get together and talk about what the mayor was asking about. Right now, we're thinking that we're going to have a -- three leaders of that convening, which would be university of Texas, Jim walker, they're chief sustainability officer, myself, then Justin Murrow with amd so we'd have, I think, a powerful coalition of people coming together. >> Alter: All right. For the state more generally, though, you know, when we did the capital complex, there were some various discussions about some of the environmental things -- steps

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that could be taken in that process, and so they are a very large employer and they have a lot of folks who are commuting in our community, so if we can find a way to engage them in the conversations, I think that's necessary if we're going to get -- get to our goal. And that may be a little different than saying governor Abbott is going to help us on climate change, but I think the folks who have the responsibility for the facilities and managing the people may be in slightly different positions if their employees are asking for that. The other thing that I wanted to just kind of ask you to highlight or invite you to highlight, so the audit really focused on our efforts to reduce carbon emissions, and I think rightly focused on transportation and on energy. But my understanding is that we've been working on some really innovative stuffs with respect to carbon offsets and planting of trees. And I just wanted to invite you

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to speak briefly to that because I'm really excited about that program, and I think as we're talking about how we're going to get net zero, the idea that part of how we get there I will say planting more trees in our community that have all sorts of benefits in being able to set that up in a way that we could operationalize and potentially even sell to other communities that are looking to carbon offsets as a revenue source for that, I think is really intriguing, and I just wanted to ask you to speak to that briefly and its status. >> Thank you, councilmember. I'm going to let Zach speak to it because, really, the initiative you're referring to really has happened because of his leadership so I'm going to let him answer your question. >> Yeah. Yeah, so with carbon offsets, the age had of old challenge with carbon offsets is following standards and following protocols and making sure that money that's invested actually creates real, permanent additional things. So if you or I just go out and plant a tree, that doesn't necessarily create a carbon

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offset. There are lots of standards and organizations that have rules and boundaries and protocols and verification. It's a whole -- it's a whole world out there of carbon offsets. So I worked with some folks from the state of Washington and California to create -- I was just an advisor in this process. They created a program called city forest credits. So city forest credits is like the first local carbon offset program that has a really protocol and really verification to create a third-party verified offset product that can be -- that's based on planting trees in urban areas or near urban areas that creates that saleable carbon credit. So I helped create the standard, and now the standard is being applied in Austin. The way the first couple projects have been going have been partnerships between watershed protection and parks in our

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office, and then treefolks. So treefolks has been working to plant trees on city-owned land, and then going -- following all those rules to create the third-party verified offset. In this first -- you know, the first couple years, it's small, so it's small volumes of offsets that are created, and we've just committed to buy the offsets, essentially, from ourselves, retire against our footprint. But as this grows, it could not only grow -- the program that you probably saw recently was about planting more trees in areas in eastern Travis county, so that is now did they're planting trees on privately owned land to create carbon offsets. The hope is that this spreads to not only cities across the country, but to other cities and counties, like, regionally, so the more trees and carbon we're pulling down from the entire area, not only our city but the surrounding cities, will benefit

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us all. So it's an exciting program and it's -- the important thing is that it's a real third-party verified offset. >> Alter: Thank you. I think it's really exciting and if there's any way I can help you accelerate it, I think it's fabulous and something we should definitely be pushing more, we need more trees, period, and if we can find a way that it can be sold in the market and fund that, or if we're going to be spending money for carbon offsets, if we can reinvest that in our own community over the long-run for that dividend, I think that's really something that we ought to be doing. If there are no more questions, I'll entertain a motion to accept the audit. Moved by councilmember Flannigan, seconded by mayor Adler. All those in favor? Three of us in favor and two are off the dais, tovo and pool are off the dais. Thank you very much. We will now move to vehicle purchase and replacement audit,

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item number 3. >> This audit was led by Cameron legron, managed by Andrew kegan who will be presenting today. He as you all mentioned, I think there is a tie-in between our own fleet and the goals we have from carbon reduction so we'll speak a little bit to that but we also focus just on our overall process for purchasing and replacing vehicles in the city. >> Thank you. Good morning. As the name complies, this audit looked at the vehicle purchase and replacement process in the city. What we wanted to know was whether those decisions balances department needs, costs, and environmental goals. Fleet mobility services is responsible for managing the city's fleet of about 6600 vehicles and equipment. The fy2020 budget called for buying around 550 vehicles. Most of those purchases will be to replace existing city vehicles. Our first finding related to

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the replacement process. The graphic here shows the general process, it starts with fleet-identifying vehicles that should be inspected to determine if they need to be replaced. Those vehicles are then inspected and given a rating which determines if they need to be replaced soon or if they have more useful life in them. We had two issues with this process. The first was on the criteria fleet uses to inspect the vehicles or determine if they need to be inspected. This is based on mileage, which is the best available data that fleet had at the time, but it doesn't consider some of the things that contribute to how long the vehicle has in its useful life. For instance, driver behavior contributes to either vehicle's need to be inspected sooner or later. The second issue was with the ratings. There are three ratings after the inspection. An a rating means the vehicle should be placed in the next budget cycle because the cost the repair the vehicle exceeds the value of the vehicle.

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The other two ratings, B and C, mean that the vehicle can remain in the fleet and remain operational, and it should be reinspected at a later time. What we noted was that some vehicles have a rated A, meaning they should be replaced in the next budget cycle, were not. Keeping them in the city's fleet increases the cost as fleet needs to repair these vehicles. It also may lead to employees driving potentially unreliable vehicles. Our second finding related to the purchase decision process. When departments request to buy a new vehicle, it wasn't clear from the documentation we reviewed that fleet considered other options rather than adding a new vehicle. For instance, fleet maintains a rental pool that could be used to satisfy the department's request for a vehicle, or there may be underutilized vehicles within the city's fleet that could be transferred to that department to satisfy their request. Secondly, it wasn't clear

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from the documentation that fleet always considered whether departments were requesting the right type of vehicle. For instance, the department may request a large gas-powered cargo van when a smaller hybrid SUV may have been able to satisfy the department's needs. We also had an additional observation related to the 2016 fleet electrification plan. Based on the data we reviewed, it looked like fleet was on pace to achieve the goals of that plan, which called for replacing a certain number of vehicles in the city's fleet with electric vehicles. We made three recommendations in response to our findings. Management has agreed with all of those recommendations and that completes my presentation. I'm happy to answer any questions. >> Alter: Thank you. I wanted to invite up the director of fleet mobility services if she had any response that she wanted to make, or whoever is supposed to do that from your office. >> So -- Jennifer walls, I'm the fleet officer, and we

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kind of had prepared a presentation, if we could -- >> Alter: Go ahead. >> I'd like to -- let me go ahead and say that I'd like to express my thanks to the auditors' team. It was kind of a complex and complicated process that we went through, but, like I said, I've always taken these opportunities for them to help us identify both when we're doing stuff right and when we get it wrong. So I'll start out by saying that -- you want to go to the next one? Sorry. We'll get this together. So a little bit of history about the fleet. Here are our key metrics that we operate by. We're at 6800 vehicles, actually, and pieces of equipment now. We have a half a billion dollars in assets, issue close to 6 million gallons of fuel each year. As you can see, the 2020

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acquisition budget there is about 53 million. Key measures and performance measures that we work through are availability, making sure the fleet is available for people to use. We use about 72% of our fuel that we issue is alternative fuel. We issue about 50,000 work orders, that's work on vehicles, and that's kind of where we are with that. I'll try to get through this fairly quickly. So here's basically how we -- how our department is organized. I have three major areas, service center operations and business support. And the newly created division is emergent technologies where acquisitions is housed. Next one. Okay. So in order to understand how we got to where we are, I just -- we just need to explain the history of our organization, the history and evolution of the replacement process and the strategy of how it came about. So prior to 2003, I believe, each individual department

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was responsible for purchasing their own vehicles. What that led to was a lack of asset management. While fleet ran the auction process, we have vehicles showing up at auction with 30,000 miles on them. So at the time the city manager directed to replace all acquisition and purchasing fall under fleet, and at that time I believe we were in kind of a financial crisis, and the policy that we developed from that was focused on maximizing the economic life out of a vehicle. And that's where the strategy from 100,000 miles, that whole thing began there at that first budget. I believe we reduced the acquisition budget by 50% in that year when it became under fleet. So as you can see, the first strategy when we first came out was maximizing the economic life. 2007, we had the carbon neutral by 2020 plan, which evolved that we had to include into that from just maximizing the economic life, but right-sizing,

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L.V.N. Fuels, and electrification is spelled out in that. We focused primarily on alternative fuels because in the market there were a lot of electric vehicles, reminding you this is a public sector fleet. We're probably 75% of the vehicles that we manage are working fleet, fire trucks, ambulances, and stuff like that, so there's a certain segment that opportunity exists even now. We are -- there are opportunities that are coming with emerging technology and automotive industry, but -- so we moved to between 2007 and now, we've had several resolutions that have been passed, and not only that, our -- how we think about fleet operations has changed. So it's not just buying vehicles and repairing vehicles, it's about taking into consideration a different mindset as an organization, do we need a vehicle to complete -- you know, to ensure continuity of city services? Are there other options that we may have as far as

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different modes of getting employees where they need to go? The vehicle-to-people ratio, we take into consideration telework, accidents, we talk about congestion, density in the city, how do we buy vehicles that will fit on our roads now. So all of that has now jumped into our replacement strategy. So with that, I'll turn it over to -- >> I'm sorry, this is Rick hardly. He's our deputy over emerging technologies, which houses the acquisitions. >> Good morning. I'm tall so I've got to raise this up just a little bit here for me. Okay. So here we are today, 2023, we're under a new mobility service group today. We've got the goal of getting us where we want to go, when we want to get there safely and cost effectively. I promise you we'll get to the exact things that are addressed in the audit here. But before we get started, I just want to kind of go over

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this mobility strategy because this puts us in the glide path of our direction for mobility and that is that we are out there to lead and design and examine the sharing electric vehicles, telematics, ai, mobility services. That's our objective. We want to put cost effective forms of modality out in the field to conduct the business of the city. The overall goal is to reduce transportation cost, traffic congestion and underutilized fleet assets, for all the good reasons, health, environment safety, liveability of Austin. We've bucketized our objectives into eight major buckets from policy to the connected vehicle program, gps, we'll talk about that, in a couple of slides, drive utilization rates which addresses underutilization fleets and some of the other things that are the costs per mile, want to lower our costs per mile. Use centralized rental pool that Andrew mentioned in the audit, shared use among departments. You can see we have an

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alternative fuel program that addresses the electrification of the fleet by diesel, looking for renewable diesel and things like that to put in the pipeline. Optimization programs, we build that strategy for each and every department, love to share that with you all at some point in the future, very detailed and very enlightening for everybody. Then we've got our camera, capital asset management program that we've purchased and installed on top of our fleet management system that addresses the complete. Strategy that brought to our attention in this particular audit. We've also got sharing programs, shuttle program that's actually active today that goes around the city, it's app driven, you can see it on your phone, you can see it on your computer, guarantee some employees arrive between different buildings to conduct the business of the city so they don't need a city vehicle to do those sort of things. We're working on our shuttle programs or other ridesharing opportunities that are out there. Then grant opportunities, we've secured over ten million dollars in grant opportunities over the last ten years to improve our fueling infrastructure and reduce the overall inefficient vehicles in our fleet.

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So we're taking advantage of the monies that are out there because we know the city can't do this alone, and it's very expensive to do this sort of thing. So I'll let Jennifer kind of lead into this one. >> Based -- we're going to try to get through this fairly quickly, but basically what I wanted to say about this slide is, fleet is a central -- we are a centralized fleet, meaning all decisions, policy and stuff that comes from you guys is directed to us, and it's disseminated to the departments during our replacement process. We feel like this setup, like I said when I first spoke, was individual departments doing this, lease inconsistency and people's different versions of how we do our business, so I just wanted to kind of reiterate that fact, this setup allows us to have the most effective way of managing the fleet. >> As Jennifer indicated, we're strategically centralized to actually drive your all's desires and decisions and your direction into the fleet doing what we

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need to do to go ahead and make Austin a better place to live and reduce our carbon footprint in the city, reduce our expenses, take advantage of grants, all this stuff. And we work through all this cycle and we kind of put this in here so people understand that we're really managing the entire life cycle of the vehicle, life sizing, rationalizations, standardization, pooling and shuttle services, make ready, maintenance management, where the vehicle lives 95% of its life out in the field, fuel management, we have over 42 different fuel stations here. We own our own fuel here at the city, which drives an amazing result, you'll see just in a second, and then of course accident management, which is a big deal for us. We're self-insured at the city and we actually wreck a lot of vehicle. Tools and emerging technologies and of course disposition and remarketing and maximizing the value of those assets once they're sold. So in the next slide, we just wanted to kind of communicate that we hear and understand what the audit department is saying, essentially that update the replacement criteria, and we think that the replacement

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criteria would be addressed through our cam product that we bought in 2019. We ran parallel to our budget process in the fy19 fy20 budget process. We weren't prepared to roll it out yet. We had to write policy and procedure, communicate to the department's change management, is critical, and not outpacing what we can do at the city, in reality. The other recommendation was new criteria for vehicle usage, driver performance, relevant data points. We feel an enterprise level telematics program is what makes that and gives us the tools to be able to get that data. And it is about big data today in the fleet. We'll talk about that in a few minutes. We have selected a vendor, we intend to put rca within the next month or two, March or April time frame, this has already been baked into the budget today, we're going to ask for the authorization to spend against that budget, and --implementing a program at this point now. The last thing at the bottom, looking for options other than buying a new

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vehicle, mileage reimbursement, rental pool, other city verification and as audit mentioned, it's really about the documentation. We didn't document whether we're challenging those departments effectively. We need to document how we're doing that we felt like, okay, we do 1100 rental tickets a year, 240 selects were involved -- we understand it every year, we're not challenging those at each acquisition moment in the process. I think that's important. We're also looking at ridesharing opportunities and platforms that are out there, into peer-to-peer, free floating car share, tap and go, shuttle services I already told you about, all using technology and gps to move our people around smartly and cost effectively. So one of the questions came up of buying the right vehicle, right type of vehicle for the 2020 plan. I thought this was very appropriate in considering the other agendas on this morning's meeting. And so one of the things we want to point out is that

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the fleet size for the last ten years has grown 2,000 vehicles. Fuel usage is up a million gallons in the last ten years. Carbon emissions are down 14% or 6400 metric tons annually. On a per-vehicle basis, carbon emissions are down 35% or 3.3 metric tons per vehicle. We think that's a great story but it's driven by oem improvements and the use of alternative fuel. All three of those things matter in terms of driving the reduction of carbon output for the fleet. I think that's the kind of detail we're involved in, we're tied with sustainability and working closely with them on measuring this out and trying to make sure it's communicated. Now, without doing any of these things, we would be at an all time high of 4700 metric tons, back where we were in 2007 with -- you know, we would have captured the manufacturer benefits, but we wouldn't have driven the alternative fuels and other types of things that drove down the reduction.

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So that's important. So another thing is, what kind of vehicles do we have? Roughly 75 to 80% of all vehicles we own actually run on an alternative fuel. So very few vehicles that we have actually -- if you just look at fueled vehicles, it's closer to 85%. This is our total asset of fleet complement here, our total inventory, it's roughly 75 to 80. So we're positioned well with the vehicles. We're issuing 72 and a half percent of our fuel with an alternative fuel. We're making good progress here in fleet and this is really a testament to the city and its direction over time that started ten years ago. So one of the things that we wanted to kind of just mention that we're in the glide path, we're actually right on target with audit's findings here is cam. So in 2003 -- we just want to paint this picture a little bit. 2003 we had 4500 fleet

assets. Purchasing office was running the purchasing plan for the city fleet. Departments were allowed to basically spec out the vehicles, however they

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needed them. It was -- the costs were unsustainable. It was just not working for us. Fleet in 2004-2005 was asked to take over fleet replacement and acquisition process. That's when they created the ABC and life cycle checkpoint and they drove a 50% reduction in acquisition spending for the general fund fleet, which was good. 2018 we're at 6800 fleet assets, greater complexity of those assets, still using the old fleet replacement methodology, to audit's point is absolutely true, we can't keep doing that, that's not working for us any longer. 2019, we bought the software called cam, ical capacity management. -- This is data driven decision making, stack ranking of the vehicles worse to best, every vehicle is its own measure of utilization and years of life and how it's being driven and maintenance and down time. All of that kind of stuff. So in 2019, we didn't want any financial surprises in the acquisition, the budget process, we just wanted to

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communicate what we were doing. So we ran the system parallel with our legacy system. We communicated it to the budget office. We communicated it to the departments. And we ran a five-year forecasting model, we're set to go live and we're actually using it today for the fy21 acquisition budget. Cam, we kind of talked about what it is. It manages a full life cycle, it takes into consideration 27 critical points that we can use to measure a vehicle and what needs to be replaced and what doesn't need to be replaced. When we first ran it, it's kind of an amazing thing like all forecasting and planning software, jda, any of the major software packages, you get a big realization and what we had here, there was a number of vehicles that we weren't seeing in the 100,000 mile checkpoint replacement criteria. So what we do here is we basically smoot it and we take -- and we prioritize it and we break it down by general fund and enterprise fund, back to the departments, down to actual vehicle level.

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Here what you see. Then when we get down to the vehicle level, we're able to perform analytics on those vehicles, from maintenance costs year over year to annual cost per use, this just happens to be a police vehicle here, to down time cost year over year, and category, the annual utilization costs of that vehicle. So we're able to actually drill right down into the class of vehicle, make good decisions and when to replace these vehicles. It's -- cam is a planning tool, it's a budget tool, a request and order management tool. We think all those things are going to hit the mark for the audit finding that we're talking about. The other thing that is -- was an audit finding that we felt was a solution was avgps, which

is basically -- it's a gps tracking tool but we do a little bit of gps in the city. We've got some legacy system stuff that's out there, there's some stuff that's in the commuters for A.P.D. Called cad, and it's not tied to the vehicle, so it doesn't do us any good.

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For us it's about tracking the assets and visibility of the assets, it's looking at risk management, reducing accidents, workers' comp, legal fees that are associated with that, coaching our drivers, knowing where they're at, helping manage our personnel, and look for opportunities to go ahead and drive optimization and savings through antiidling programs and other sort of things. In 2018, fleet ran a pilot program where it was using a cloud-based enterprise solution. We had a company that wrote ai algorithms and looking at our data on our fleet. We did a six-month trial that ended in December of 2014, we had five different departments that represented a pretty large cross-section of vehicles in our fleets. We wanted that diversity and we were looking at things like visibility and geo fencing, smart routing, could we do it, idle time, speeding. We were even able to have alerts and audio alerts in the cab talking to them, telling them to turn off their vehicle or something like that. It was a success.

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The departments actually communicated a number of different things that they felt was valuable. Some were concerned about the safety. Some were concerned more about the operational integrity of the vehicle. Some were concerned about just knowing where their people were at and managing all of that. You know, using ai to look into the vehicle itself was an important piece for us. For us, our standpoint, we wanted to prevent vehicles from happening before -- break down before it happened. Unplanned breakdowns kill productivity. They take an employee in any one of these departments off the road for four hours, by the time they get picked up, put into another vehicle, all of this matters for productivity of our operations, safety of our employees and reliability of the fleet. We looked at a whole host of areas to make sure we understood it. We've got a collaboration committee that involves every department that owns fleet in the city that we've built. We've looked at all of this from support all the way to security. The echo system that we intend to put these vehicles in in telematics looks at safety and optimization and

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compliance and expandability and productivity, safety from is your seat belt clicked, closed, from a compliance standpoint, what is the exhaust on my vehicle, live, realtime, while it's running, we could see where those things are a problem. So this is going to be in front of you guys here in the next couple of months from an rca standpoint and we're hoping that you support that. I'm going to bounce and move

along really quickly here because I just want to show you a couple of images, and then I'll turn it back over the Jennifer. So in doing this particular effort here, we had a few outcomes, we looked at a number of different systems on the vehicle in the engine compartment, and we were able to use ai -- excuse me, I kind of went crazy here with the remote. Yeah. Like battery health, this looks at the battery, every time the ignition is turned and you can see when it starts to get to a state where it's not normal, it no longer charges up effectively, we can prevent that vehicle from going to the field and somebody having a no-start situation

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in the field in advance to -- we were able to look at engine temperature irregular -- irregularities, any time the engine temperature isn't hot enough or too hot, so we're able to see that. By the way, all of this information comes to us in bits and bytes and data in codes. You have to have ai to actually read this information because there's so much of it. It's like three -- two to three terabytes of data a day that come at you so you have to have ai that kind of interprets this stuff and they tell us meaningful points of action here. This is actual real data from our fleet here. Depth fluid, this is a particle that knocks down the particulates from exhaust -- >> Alter: May I just ask how much more you have? Because we still have other agenda items -- >> The main takeaways from the artificial -- also a climate standpoint, allows us, if we put this on existing vehicles, it tell us which vehicles are right for electrification, we no longer depend on the

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department -- we have actual real data that we can go back and say, no, you can use an electric vehicle or, no, you don't use this one enough, it isn't just us trying to figure it out. So it does lend to us making sound decisions on replacements. So kind of the takeaway from that. So we have the challenges, of course, maintaining the -- continuity of city services, I often remark that being a fleet manager, in trying to bring about change is like trying to change a tire while the vehicle is moving. So bringing all this new stuff, wait a minute, we've got to keep doing the job as well. Challenges are the manufacturers offering. Right now we have a lot of investment in the light duty area. We see this starting to occur in the heavy-duty applications, but then we've got to balance that with new technology, making sure that when we do get something, that it actually does the job because what we don't want is a fleet full of vehicles that don't actually work for the city. Budget funding, we have light years, we have years we have to be conservative,

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that impacts our ability to bring about this change. City growth, like you said, the fleet has grown 40%. That's more vehicles every time you add a hundred police officers, that's 50 cars. So it's two to one ratio those and all the different -- density, like I said, designing the right type of vehicle for as the roads and street ways change, how do we do that. So that being said, we're in a an exciting time. I'm excited about this new technologies coming into the automotive market. How do we harness that to optimize our fleet, to electrify our fleet and to reduce our carbon footprint as a whole. So it's all in the mix. Sorry. >> Alter: Thank you. I really appreciate you embracing this opportunity to share with us your leadership and the great work that you guys are doing to advance our goals and through the fleet. I think this is a case where the audit and the work that you were doing when you came in, director walls, and in

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hiring Mr. Herland, that was very much in sync, and my understanding is you were able to learn from each other, and yes, there were these issues, but they're on it and helping to move us forward in a way that takes advantage of technology to allow us to achieve our goals, and that, you know, takeaway, one of the other takeaways I have from the presentation is this is a good example of an area where we have been able to advance some of our smart city goals. We may not be recognizing this as a section for smart city, but I think a lot of what you're talking about models some of that work. And I think also something I wasn't reflecting on is the inner departmental challenges that you have as a fleet department and the many different goals that you're trying to manage. And I think between the recommendations of the audit and the work that was already in the budget and underway and is exemplified by your hiring in the first

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place of Mr. Halland, I think are on a good trajectory moving forward to make sure the underlying concerns that prompted the audit in the first place are addressed. Do any of my colleagues have any questions or comments that they want to make? Councilmember tovo. >> Tovo: Apologies if you've addressed this elsewhere and I'm just missing it, but were there -- in the instance, the audit noted that employees continued to use some of these vehicles and fleet had to maintain them, and I wondered, were these -- in these instances, were there substantial repairs and costs that resulted from that use of vehicles that were maintained beyond their -- beyond their intended -- >> So we didn't look at the specific details about the implications of those fleet -- or those vehicles remaining in the fleet. However, fleet may be able to provide more details or more information about this, but once vehicles reach the end of their useful life,

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the cost to repair them increases. They need more repairs more frequently. So I think the general risk there is, we're keeping vehicles that the cost is just going to keep increasing. >> Tovo: Okay, but just to be clear, that wasn't an element of the audit, so we don't know that that actually came to pass, that keeping those vehicles longer than the period originally intended actually resulted in higher maintenance costs. >> Yes, correct, from the data. >> Tovo: I guess I wonder -- I mean, this is obviously not a field I spend any time in or have any expertise in, but I guess I wonder, with changing technology, whether our assumptions about how long vehicles should be kept is changing, and that it's possible that that assumption that at a certain -- when it hits a certain life-span, it's ready to be -- you know, it's going to start accruing costs that are not in the end beneficial to the city -- >> You're correct.

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>> Tovo: It's just an assumption that we need to interrogate and potentially change at this stage. >> We have a -- if I could diagram it with my hand -- maintenance -- in general, it stays flat, and then at a certain point it starts to dip up, and that's when large components start to fail. Systems, transmissions, stuff -- ideally we'd lining to get in there before that happens and replace the unit. However, we have in-house, if a vehicle has reached a target and it comes in with some major failure, our service center managers are not allowed to spend over a certain amount. So it's like, no, that's it, it's gone, we're not going to invest -- we're not going to put a \$4,000 transmission into a vehicle that needs to go, so we work with the department to get a rental or do something else. So we have in-house controls to control that kind of expense. >> Tovo: Well, that's very good information, so just because something -- >> You are correct -- >> Tovo: I'm sorry, go ahead. >> You are correct about the technology. Instead of -- you know how in the past it's like, oh, you should bring your vehicle in for an oil change every three months, it was kind of a general standard, the technology that's

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available out there on the market now is catered to how that individual operates that vehicle. So all those fault codes that we get off the vehicle will be -- if you're a bad driver, yours will come up faster, or don't drive a lot, we can actually cater our maintenance program to specific needs of the vehicle. So that's what this technology allows us to do. >> Tovo: Thank you. That's really good information. And so it suggests that -- I mean I guess the answer then to the point that was raised by the audit is that though some of the vehicles are being kept longer than their anticipated life-span, your staff -- your staff are not going to continue to invest in a vehicle once it hits those. I mean, it's more a tailored approach to determining when the maintenance levels have gotten too costly to continue. >> Yeah, there's a threshold -- >> Tovo: Versus just a fault, at X state, it's out. >> Yeah, if beer in that

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kind of zone where it starts to creep up with the age, there's a threshold of dollars they could spend on the vehicle to repair it 2. 2. >> Tovo: To me, that sounds like a sound approach, we're not getting rid of vehicles too soon. We're getting useful life out of them -- >> With electric vehicles, they're still out of that on the jury. Seems like the battery is lasting longer than the outside vehicle. So we haven't set a criteria for electric vehicles, so to speak, as we really don't know, you know, how that's going to pan out and that's kind of how we play it. >> Tovo: Thanks very much. >> Uh-huh. >> Alter: Thank you. Is there a motion to approve the audit? Councilmember tovo moves. Councilmember pool seconds. All those in favor? The whole dais is in favor. Thank you very much for sharing that information with us. Appreciate your enthusiasm and the path that you're charting forward. >> I just want to add a little bit, too, as we go through this process, we are -- we've kind of formed a group with the fleet

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managers, fleet managers at the county and with the state, txdot and U.T., capmetro, we're all trying to, as fleet managers -- not at the larger level we were talking about before, is to talk about the challenges we face and share ideas with each other and maybe share if we can get on each other's contracts. This is very new, we had our first meeting last year and we're starting those conversations at that level, you know, because we all face the same regional challenges in how we can improve how we do business, so -- >> Alter: Thank you. That sounds like a great idea. 4:00 for sharing that. We have one more audit and two other items of business I believe, so let's move to the effective of financing tools for economic development, please. >> Very short title. This audit was managed by Katie who have and led by Matt, and Matt will be making the presentation this morning. >> Thank you, Cory. Good morning, committee

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members. I'm Matt Clifton and I was the auditor in charge on this project. Our objective was to determine if the city's tax increment financing districts are effectively achieving the goals of the community. I need the clicker. >> That was my one job. Sorry. >> Thank you, Olga. Tax increment financing is used to encourage development in areas where it would not happen otherwise. When the city creates a tax increment financing district, also called a tif district, the value of properties within the district upon its creation is the base value. Going forward, taxes paid on the base value continue to go into the general fund. Any taxes paid on increases in value above that base value, which is also called the tax increment, go into a special fund which is used to pay for projects and improvements within that

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district. Our scope for this audit included Austin's four tif districts, which are Mueller, waller creek, Seaholm and second street. Eachtive district has a main purpose and an expiration date which are shown here. We fund that almost all community goals for the city's tif districts have either been achieved or are on track to be achieved. The city recently adopted new, more specific policies that could enhance the benefits the city realizes from the use of tax increment financing. And the next few slides go into detail regarding the goals that have been achieved. We compared community goals for each of the tif districts as expressed during the creation of the districts against what has been achieved to date. The Mueller tif has achieved goals including the complete redevelopment of disused airport property into a mixed use neighborhood with residential, commercial, and civic spaces. A portion of Mueller's

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residential stock is reserved as affordable. Various environmental goals have been achieved, including building construction standards, alternative transportation infrastructure, and parklands. We noted that the only community goal not achieved in Mueller was related to an unsuccessful bond for a light rail system. The Seaholm tif has achieved goals including preservation of the old power plant, infrastructure improvements, and mixed use district with residential, commercial, and office spaces. We noted that the only community goals not achieved in Seaholm are related to the unsuccessful light rail bond and ongoing negotiations with a private company. The waller creek tif has achieved goals including removing approximately 28 acres from the Philip downtown through a tunnel which will mitigate a 100-year storm event. We did not note any community goals which have not been achieved or are not on track to be achieved. Based on information we obtained during our audit, we would have made

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recommendations regarding the city's tax increment financing policies. However, during the audit the city addressed any potential recommendations. We are including this information as an additional observation. In the fiscal year 2020 budget the city adopted new financial policies for future uses of tax increment financing. For example, the maximum percentage of the city's tax base allowed it to be located within a tif district was increased, and requirements were established for affordable housing within tif districts. Our second additional observation concerns the second street tif district, which is not a traditional tif district but required by an agreement which calls for the city to construct and maintain infrastructure. The city is spending more than originally budgeted in order to remain in compliance with the agreement. That concludes my presentation. I'm happy to answer any questions you have. >> Alter: Thank you. Are there any questions on this?

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Councilmember pool. >> Pool: Quick question, on the Seaholm tif, that was crafted in 2008 when we were looking at the latest, in I think about three different recessions we had in the first decade of this century, was that 2008 tif created to support the private development on that site or was it, in fact, for the preservation of the iconic old power plant? >> So, the main purpose of the tif district was to preserve the power plant building. At some point -- and I'm not sure exactly when the city determined that it would need to work with -- in a public/private partnership to have have more on the site rather than just a power plant building that was restored. >> Pool: Exactly. Did you go back in and look at what the contract is with the private development group, how much the city receives from that -- that lease agreement? >> I don't have those figures on hand right now.

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We did look at the agreement with the developer. >> Pool: Am I right in remembering that's one of those dollar a year for X number of years agreements that we made at the time? And we -- the group that we made that contract with doesn't own it anymore. So -- >> Right. >> Pool: Do you remember some of the -- >> We understand the developer ownership changed hands. >> Pool: Right. >> But the objective of our audit was to look at community goals, and so that was slightly outside of our scope. >> Pool: Okay. So the point I'm driving at is, the tif purpose was to preserve the iconic building. I would assume it would be for public access. But it is not, in fact, a public building. And so to that extent, I think that this situation is something that I would like to look at in a -- in a little bit more detail including having a look at how much we are receiving on that lease for that ground and the fact that the

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original intention has not been achieved. >> It's our understanding that over the course of development of the -- redevelopment of the property, the city's acceptable definition of public changed. >> Pool: Precisely. In fact, we can't get into the main building of the power plant where those gorgeous clear story windows are. That is private, that's private property now and the city doesn't have -- and citizens don't have access to it. So that's aside from this audit but that has piqued my interest on Seaholm and that's a topic I was interested in, in order to preserve the Seaholm power plant in the first place, I was the chair of the planning workforce to that previous mayor, kicker Kirk Watson

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put in place at the end of the '80s, and for my own, to catch up to the world, I would like to delve into that a little more and have a more complete understanding of where we are now are versus the changes that happened in '08. >> That's something we can share what we have learned through the course of this audit with you about that and see if there are other areas you're interested in exploring. >> Pool:

Thanks so much. >> Alter: I understand we're going to be losing our quorum so I don't know if the economic development staff feel a need to respond. We did address a large part of this audit in our tif policy, or if we should just go ahead and vote so that we can move it forward. Is that -- okay. >> Mayor Adler: If I could literally have 10 seconds. I think there's some questions this gives rise to that were part of the tif conversation I think we'll be returning to when we do that, there were some questions that were raised in that, I haven't seen that, how they've been reflected yet and the amendments -- >> Alter: So there's a tif

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policy and pid policy, I think the tif policy is part of our budget process and the pid process I think is on our agenda for the next time. >> Mayor Adler: Got it. So the similar kinds of questions associated with those and with this, with respect to, and it builds off of what Leslie said, I don't know how we wind them down and I don't know how we make sure that they're just being spent on things that were identified when they were set up. Mueller had, like, \$35 million of projects that were identified, for example, \$64 million in available funding, in case those \$35 million went over cost. Apparently we've spent the \$64 million. But I don't know if that's because the \$35 million and things went over cost or whether there have been additional things that have been added to it, and if there have been additional things added to it, I don't know how they got added to it when the council had initially set those initially. So when we talk about community benefits and whether they're achieving them, being able to parse what are the community benefits we're measuring, not what did they achieve,

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but were they the ones that were set, which gives rise to the question of once we start one of these, is it just available funding for community benefits or are there specific things -- how do we wind these things down? Because it goes to the broader question, when we're looking at effectiveness, which is -- Dallas and other places are doing more of these than we do. Are we -- are they the right thing for us to be doing? Thank you. >> Alter: Did you want to -- >> Tovo: Just a super quick note -- >> Alter: I'm available, I just thought you guys were leaving. I'm not trying to rush you. >> Tovo: I think the pedestrian underpass, noted as a goal not achieved, continues to be important, and so just as a note to my colleagues that we're going to continue to push toward that, I think that at cypress, you know, the resolution that we sponsored, that council supported for the work at cypress and shoal is related

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but not directly attached to that, but I think that is a goal. >> Mayor Adler: I'm going to stay. >> [Off mic] >> Alter: Okay. Does anybody have any comment they need to make for staff at this point? Can I

entertain a motion to accept the audit? Councilmember pool so moves. Councilmember Flannigan scheduled. Our next item is committee procedures. Ms. Stokes, do you want to speak briefly on that? >> I think -- so some issues have come up for us in our office related to sponsorship of items. So how do you get sponsorship of an item on the audit and finance committee agenda. So I wanted to kind of share with the committee and have some direction when we get asked. So we manage this agenda, but they are not all our items. We've had kind of a process

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in place where the chair and vice-chair sponsor what I think we were calling routine items. If it's an audit that's completed, if it's the financial audit that the external auditor and financial services bring, those things are almost always sponsored chair, vice-chair, and I contact the chair and vice-chair and say these are the items that you are sponsoring, FYI. But there are other items that have come up so I just wanted to get some clarity from you guys. I think my understanding is that, for example, boards and commissions items are referred by the mayor and sponsored by the chair. That's how they get on the agenda so they show up as the mayor as sponsor and the chair as co-sponsor and those are like board of adjustments would like to make a change to procedure of process and those come here. So for every other item we need sponsors and co-sponsors, my understanding and preference

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is we ask the chair are you willing to sponsor this? And we encourage the department really, not us necessarily in the case of today it would be economic development for the workforce item, that they check with the chair, check with the vice-chair, but get two sponsors for their item and that's outside of our control basically. And then the last piece is I think we have had items in the past, it's been a little while since we've had them, but where a committee member wants to bring something forward and I'm in my case I would say go talk to the chair, but I just want to make sure this makes sense. It's a little different from council item sponsorship as council committee sponsorship. >> Alter: And I just want to add there's been some lack of clarity in the media where they have set like that councilmember pool and I are bringing forward the pid policy, for instance, because our names are on it for sponsorship. In having this conversation we actually wanted to clarify that some of this is

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routinely it gets put on and as chair and co-chair are names are next to it, but nine times out of 10 or 99 out of 100 it's staff bringing forward the item and that also in this process to recognize that there will be times that someone on this committee has done a deep dive in a topic and they should be listed as the co-sponsor or sponsor in recognition and we're totally happy to do that, but we don't want departments

to feel like they have to go hunting around to get co-sponsors and create a lot of more work and make it difficult to manage the agenda. So it's purely really just a clarity thing and everyone is still able to bring items on to the agenda. We need the conversations about where they appear because we have an overloaded agenda, but we did want to bring a little bit of clarity to that. Mayor Adler? >> Mayor Adler: I was going to say that to the

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degree that there's confusion associated with putting those two names, I would be fine with a rule that says that in those instances when there's a staff or department that wants to bring something forward assuming that there are two people that are -- we're going to do that anyhow, so I don't think it needs to have your name on it and the vice-chair's name on it. I think in those instances once they've checked they could put it on and put the sponsoring department on it and just avoid that measure of confusion. >> I think the thing for us is from the agenda office and going back to kind of the creation of council committees. Not the creation, but the most recent creation of council committees that we need a sponsor and co-sponsor to put anything on. >> Mayor Adler: I'm not recommending that we change that. I'm saying in the public noticing of that, I don't think there's also a rule that says the fact that there are two people that do that it needs to be publicly posted that way. I think you just need to make sure you do that.

[11:34:04 AM]

And having done that, I think you could just list the sponsoring department. Might be more transparent and responsive to what's happening. I would be fine with that. >> Alter: Councilmember pool. >> Pool: That would then track with what we do for work session. And also for our council meetings when there's -- because you're talking about staff briefings, right? And the staff briefings are just put on our agenda. But if we have ic or something we have to have the complement of sponsors. >> >> Mayor Adler: Or even checking with the charity or vice-chair in making sure there are two people to come on it. I don't think it needs to be listed as if they were sponsored by the two people. I'm not suggesting any change in the rule. I'm talking about how it is reported to the public. >> We should be able to figure that out. But yeah, it is true just because our names are on there doesn't mean we're supporting it in any way. It's the rules we imposed on

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ourselves that there are two councilmembers who were interested in having the item on the agenda. >> Alter: And I don't want to say that we have a problem with the pom it was just an example that came up. Councilmember tovo. >> Tovo: I concur with the mayor's suggestion. I think this is continued to be a

real point of confusion on all our committee agendas and I think it probably points to the need to fix the rule and that we adopted as a council. For the moment I think that's the way to do it to just make sure that two people agree so that we don't have a situation where we have lots of committee meetings with tons of staff items that aren't the highest priority of the councilmembers who serve on them, but to list who the actual sponsors are. >> Alter: And to be clear for audit and finance, there are items that we just have to hear. We have statutory rules to hear and we don't have any flexibility. So we'll experiment a little bit and if you guys -- [mic interference]. >> Mayor Adler: Sorry. >> Alter: If we could -- that means your microphone

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is probably still on. >> Mayor Adler: I hit it with my hand. >> Alter: We'll expand on that a little bit and talk it from work session. Another thing while I'm on this and hopefully you will consider this germane, is that we wanted to see if anyone objected if a situation arised where we thought something would go on consent that we needed to vote on and if we needed to create a consent agenda, as always it could be pulled down if anybody wanted, but we have had overcrowded agendas and we wanted to see if in those cases where we have to vote, we had at least one audit today probably when we could have just put it on consent because we had already addressed the tif policy as policy, mostly those would not be audits, it would be board and commission by law changes and things like that. Great. Thank you. So we will move forward if other concerns come up, please feel free to bring those up. So item 6 is proposed by law

[11:37:06 AM]

amendments for the mexican-american cultural center. So we will hear from staff and then we have one citizen who wants to speak as well. >> Hello, I am Stephanie hall with the city clerk's office and I am here to propose some proposed bylaw changes for your review and recommendation from the mexican-american cultural center advisory board. These bylaw changes were approved at their meeting September 4th last year. The first one is a board name change. There are several instances of this throughout the bylaws and this is just an attempt to change to reflect their official name of the center, which is Emma Barrientos mexican-american center, that was changed in 2010. So they would just like to meet up with that. And staff concurs with these amendments. The second change is an edit to article 4-b, and this would be changing the term majority to quorum. And they would like to clarify the collection voting using this term. Staff does not recommend

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this change. The third is avenue subsection C to article 5. This would allow for an operation of having co-chairs that would equally share their duties of officers in a spirit of collaboration and transparency. Again, staff does not recommend this. And finally, an edit to article 7m where they would change the end time from 10:00 P.M. To 9:00 P.M. In general with these last three that staff doesn't necessarily recommend it's basically in general that we are concerned about the inconsistency that this might create across our standardized process of bylaws. Additionally as well too, perhaps the precedent might set to bring forward to bring more bylaw changes to this body for approval. In general we understand the intentions and concerns here and we do feel like most of these can be taken care of administratively and the bylaw changes are not needed. But if you have any questions or would like me to elaborate I certainly can. And I believe I saw maybe the vice-chair -- yeah, the vice-chair is here. So if you have any questions as well, I'm sure she would be happy to answer them.

[11:39:11 AM]

>> Alter: Would you like to address this? Thank you for your patience. >> My name is Ada. I am currently vice-chair of the macc board. I'm here on behalf of myself, not representing the board as a whole. Frankly I was surprised when I got here this morning and saw that staff did not recommend because that was not communicated to us. So I walked on over to the boards and commissions office this morning and spoke with Joseph who said, and I spoke, that again like this lady said, there are other administrative in-house ways to address these logistical items. Frankly I don't think that's enough to not allow our board for these items. After much discussion on a couple of months we voted and we agreed that we wanted these changes in our bylaws because we wanted them to reflect how we're actually running the board. It was a problem back in when we were electing

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officers. On item B where it says officers shall be elected annually by a majority vote that we had five votes for Mr. Masala, two votes for Mr. Art Navarro and there was argument as to well that's a majority. No, we have to be a quorum. The boards and commissions office is not open after hours. We couldn't call them and ask them to clarify. We did call afterwards and they said it is a quorum so it is just making our bylaws reflect highway it is in reality. -- How it is in reality. Also the board would like to operate having co-chairs. The actual wording is upon mutual agreement of the chair and vice-chair, the chair and vice-chair may operate as co-chairs and equally share the duty of officers in the spirit of collaboration and transparency.

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Tomas and I have agreed that we run as co-chairs. We alternate having the board meetings. We keep each other abreast on everything. I have served on vice-chair in another administration with another chair and it wasn't that way. As vice-chair I didn't have much of a role, wasn't really informed. This system is working out beautifully for us. Let's see here..., yes, the board would like to conduct meetings more efficiently if they are a joint ipm. We have meetings where we get there after work and we're there until after 10:00 at night. It's unreasonable. We have changed it to 9:00 P.M. We're more efficient. We're usually out of there by 8:00 8:00. So basically we would just like for you to approve the bylaws as we have recommended the changes. >> Alter: Thank you for being here this morning. Colleagues, does anyone have questions or comments? Go ahead, councilmember tovo. >> Tovo: Thank you very much for being here.

[11:42:12 AM]

I have a question for the staff. So just to be clear, the end time for boards and commissions across the board is -- across the standard, the standard is 10? >> That's correct. >> Tovo: It doesn't mean they have to meet until 10 or that they're required to be there until 10:00. They can end whenever they end. >> That is correct. >> Tovo: The expectation is that they won't go beyond 10. >> Absolutely and they would have to vote similar to what council does, if they would like to continue beyond 10. Of course, if they are done with business they can adjourn whenever they are ready. We have also recommended if they would like a consistent stop time that is something we can agree upon and simply put on the agenda. >> Tovo: Thank you. And can you help me understand the concern about the chair? Co-chair? I understand the consistency issue. And I assume part of why there -- why the recommendation is to have it consistent standard across the boards and commissions is so that staff have one

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person to communicate with and not two. Is that part of -- >> You're exactly correct. We have the chair and a vice-chair, but they do collaborate collaboratively so we would like a point of contact with a chair and that is consistent with all of our boards and commissions. All of our meeting bodies really. So we would like that to say the case. We understand that they would like to have this kind of collaboration and it certainly is allowed and it certainly can be conducted that way, just switching off who would like to conduct the meetings. >> Tovo: Okay, thank you. >> Sure. >> Flannigan: On the question about how many votes it takes to elect a chair, is it not a majority of the seats? You need enough people to show up to have that number of votes? Much way we have to vote for a mayor pro tem, if three or four people are absent that doesn't mean the number of votes you need is smaller? >> That is correct, yes. >> Flannigan: So is that different than what the board is operating under? >> At that meeting we had

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five votes for one person, two votes for the other one and everybody was arguing, oh, we have the majority. And then we finally had to -- we couldn't elect a chair. We had to talk to boards and commissions. And I believe they came back and said it was a quorum, which is six. So we would just like the bylaws to reflect that because we were looking at our bylaws and it was confusing as to whether or not we could elect a chair that night. >> Certainly. It is a majority and I think just the confusion is maybe if there's a vacancy what would constitute a majority of that. And it would have to be -- the quorum would stay the same. So it would be a quorum in this term because it's a majority of who was actually on the board. I understand the confusion there. I think we were able to fix that, but again I feel this is kind of an administrative update that we would need to make. I am kind of concerned as well from the office of city clerk's perspective that if we change it to quorum there could be some confusion if there's other types of votes that may require a super majority. We might be kind of like pinholing us into that term.

[11:45:15 AM]

>> Actually, we've never had a situation where that was the case. >> Alter: I'm sorry, but our rules are that you get to speak when you're addressed. Councilmember pool would like to make a motion. >> Pool: Originally I was thinking we needed more time to think about this or talk about it, but I think it's been laid out pretty clear. So without doing a walking motion -- >> Alter: Councilmember pool, I'll recognize you for your motion. >> Pool: Thank you. I'd like to make a motion to make the name change to the mexican-american cultural center advisory board to include its namesake, Emma S Barrientos. And to move the recommendation as per the staff's notice. >> Alter: Do we have a second? Councilmember tovo seconds. Any discussion? >> Flannigan: I'll make one comment. >> Alter: Councilmember Flannigan. >> Flannigan: I don't know that changing that to the word quorum is any clearer because there will be a board member in the future who then debates the meaning of the word quorum, but I'm wondering if in the same way

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that there's like a rules document that comes out around the code, is there a similar rules document that the clerk office can just be explicitly clear, this is what this means? And it means the same across all the boards and commissions so that you don't have a future new appointee who won't remember this debate and won't remember this conversation, introduce it separately. Because I think that would be helpful. >> Absolutely, yes. >> Alter: I think to the extent that we often elect chairs in January or December, whatever it is, that that information is conveyed to the staff people so that they know how to handle particular situations situations. Mayor Adler? >> Mayor Adler: I was going to say in terms of commenting, I hear the sentiment and I think that all the -- that the current group can pretty much -- can accomplish and should accomplish all of these things. Obviously the membership is going to change commitment and every time there's a new board we can't be coming

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back to council on all our boards to say this is what the bylaw change that this particular group of office holders want to have. I concur with the resolution, with the motion. I think we should change the name because I think that's appropriate. With respect to the election, I think when we're choosing officers it should take at least six people to be able to set officers. It's kind of a minority protection issue. And it forces people to get a consensus. Someone is going to be chair, vice-chair operating, they should be able to get six people or force everybody to do that. The chair and co-chair issue is something that a chair and co-chair -- a chair and a vice-chair can do, and agreement, they can certainly do that in terms of how they operate and work with each other. And we have different committees here on the council where the chair and the vice-chair operate differently and in more conjunction. So I think you can achieve that without the bylaw

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result. The ending time, the group could certainly say as a group we're not going to go past 9:00 unless we have a vote and that then just becomes your rule because at 9:00 then the people that are there can be voting to say now it's 9:00 and we want to go home. But having stop times with each of them I think would be awkward. So I'm going to support the resolution because I think we have to act to change the name and we need to do that. These others I think you can achieve what you otherwise would want to achieve without us having to change the bylaws. >> Alter: And I guess this will come to -- my understanding is this will come to council because we have to vote to change the name, and at the appropriate time at their next meeting if you can make sure someone from the clerk's office explains some of the options that they have to achieve things by alternative means, I think that would be helpful in terms of communication so that the

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whole board understands our concerns about all of the boards and changing things and some of the things that were expressed today. So all those in favor of the motion? Mayor, are you in favor of the motion? Unanimous on the dais. Thank you very much. Our last item is to identify items to discuss at future -- one more steno that for general? Okay. Who is the citizen? I don't know the name, so if the person wants to come up who was here to speak on general... >> I show it as Douglas Mccue. >> Alter: Douglas, are you here? I don't think he's here at this point. Does anyone have any future items that they want to identify? I will just flag that they will have to have a special

[11:50:18 AM]

called meeting for the municipal civil service interviews once we figure out the timing for that and what we may do is have a meeting to narrow down who we're interviewing and then see if we can do the interviews at the next meeting I believe is what we were going to try and do so we could probably decide on if everyone reviews the material in advance we would be able to decide fairly quickly on who we're interviewing and then do the interviews at the next meeting. That's the goal, but we will keep you posted. With that, thank you, everyone, for being here. It's 11:50, and I'm adjourning the audit and finance committee. Thank you.