

Audit and Finance Committee Meeting Transcript (AFC)

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[9:35:45 AM]

Good morning. My name is Alison alter and I am mayor pro tem and chair of the audit and finance committee. It is 936 on March 30th and I will call this meeting to order. I'm joined on the dais by council member. >> Fuentes:, vice-chair pool, councilmember Kelly, councilmember tovo may join us for executive session later in the meeting. Today we'll take up nine items beginning with the minutes, the water audit and approving meeting dates and then we will enter executive session to take up the

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municipal civil service, security audit items and close those items when we come out of executive session. I believe we have one person signed up for public communication. Are they remote? I'm sorry. >> Council, good morning. Most of you heard my speech at the last council meeting about the protesting the clumsy way that information about Austin's customer assistance program is now being hidden from the public. I'm sure in Austin energy were motivated it would have found a legal way to provide this information, but the utility has suffered considerable embarrassment over the last seven and a half years and they've done nothing.

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At some point in the future I intend to suggest several ideas that will continue to allow transparency but given my limited time today I will use it to recommend another alternative. All participants should be income verified. I will submit a draft resolution in your email for your review but I'm going to read it into the record today. This is draft. Whereas the city of Austin provides bill discounts to low income municipal utility customers through its customer service program which creates a lifeline of affordable service and whereas the city of Austin has operated its customer assistance program with automatic enrollment since 2013 and whereas automatic enrollment has shown repeated problems that has allowed some of the cap funds to be awarded to customers who do not need the assistance and whereas

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about one out of six cap customers currently income qualify to participate so a system to enroll people based on income documentation is already in place. And whereas a system of income qualification will better ensure cap's limited funding will reach the people most in need and then be it resolved that the city council of Austin asks the city manager to begin the conversion of all customer assistance program participants to income verification in the next fiscal year. And be it further resolve that a marketing or outreach plan be developed to ensure robust participation from current cap participants as well as new ones in the transition and be it further resolved that if a surplus develops because of this transition the extra money

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will be redistributed in the program in the form of a larger discount. In closing I point out that Sacramento's municipal utility district uses income qualification exclusively and that utility has a participation rate higher than Austin. I will send this to your email. >> Alter: Thank you, Mr. Robbins. Following your public communications the other day law provided us some additional background. I had asked them to be in touch with you. Did they follow up with you? >> They have not been in touch with me. I I'm sorry to sound cynical. I have no hope that they will offer any alternative. Any alternative will come from this body. >> Alter: I understand that's your perspective, Mr. Robbins. I wanted to know if legal

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reached out and they have not. Is there someone from the city manager's office who is here? Okay. Nina, since we don't have someone from city manager's office here this morning, if you can just follow up with Debra who had told me that she was going reach out to Mr. Robbins and make sure at least the legal perspective is shared with him. She indicated they would. They may not have gotten to it yet. >>

Who are you asking me to contact? >> Alter: I'm asking Nina on my staff to contact Debra Thomas and make sure she gets in touch with you. >> Thank you. >> Alter: Thank you for being here. >> I hope you will consider the proposal. >> Alter: The next item on our agenda is item 1, approve the minutes of the audit finance committee meeting of February 23rd. I have a motion to approve from councilmember Kelly. Do I have a second from council member Fuentes? All those in favor? That's unanimous on the

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dais. The minutes are approved. Next we are going to move from discussion and possible action for the Austin water external audit process. This is in regards to the resolution that I brought forward to initiate an external process to review Austin water. I will point out for those watching that Austin water did release its internal investigation yesterday that is available online. I believe we'll be talking about that in the Austin water oversight committee tomorrow. Today is not really the place to have a conversation about that report. Fanned you read it you will see it's very technical and probably takes a few reads to digest it well. Today's conversation is about the process for the external audit to make sure it's an opportunity for the

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auditor to check in with council on the process. Good morning, Ms. Stokes. >> Good morning. Thank you. So as you mentioned, I am here -- this was -- there was a council resolution passed and y'all asked that my office oversee this process for getting a third-party to do this review. And so as part of that we wanted to be completely transparent, make sure that you guys and the public understood where we were headed and what our next steps are. We also have a couple of things we want to get input on so next slide, please. Y'all passes the resolution, but to make sure everybody is aware where this came from. There was a resolution in February that said we should procure an external audit to review the five most recent significant negative water quality events. A lot more specifics obviously in the resolution. You directed my office or the city auditor to select an independent third-party contractor and manage that.

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Next slide, please. Today I want to give you an update. We know that there's broad public interest in this work. We want to make sure that everybody knows where we're headed. So we want to provide information about what we've done so far, ask for feedback on the draft scope of work. Not necessarily in this meeting, but if y'all take a look at that if you see things or if other folks see things in the public, they should get in touch with us so that we can update that. And then we also want to get input on selecting our contracting approach. So the first piece, next slide, I've already read part of this out, but

there are different components within the council resolution and the scope of work that we've drafted tracks pretty closely to that resolution. All of the things in the resolution are captured. There are a few other things that we've added in to make sure that we have an independent and open

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process. So some of the requirements here there's a written audit reports, the findings, past recommendations, recommendations for the future. And then at the end the idea is that this would be presented, the time report would be presented to the water and wastewater commission as well as the city council. So obviously this is very summarized compared to the draft scope of work which should be in the backup or is in the backup. I can confirm that. But next slide. So on the city side what my office would be doing and obviously we would be collaborating with city staff to do this, but making sure they have timely information to support their work, including access to records, access to city staff, we'd work with them to make sure their results are supported by quality evidence and we would also facilitate any public meetings and work on the posting of the report, there are very specific requirements for that as well as sharing the final report in the public meetings as required.

[9:46:00 AM]

So the scope of work document is usually used in a competitive process. However, a competitive purchasing process. However competitive purchasing is really one of two options for moving forward so I want to talk through that next. Next slide. So the competitive properties, I think most of us are familiar with, but it's designed to help the city get the best price and the best contract terms for proposals. It helps us get most qualified contractors because we go out and submit a bid based on the scope of work. If we use the competitive process we believe it would yield multiple bids and we would evaluate proposals using preestablished criteria and select the best contractor to do this work for the city. The downside to this approach is timeline. So in looking at the timeline, the timeline to complete the solicitation and get a contractor on board could be as long as eight months. Specific work towards the review wouldn't start

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obviously until we had that contractor on board. So there is definitely some consideration there. There are a couple other tools and couple other purchasing tools that we can use in the city, sole source purchases and those things as appropriate. Next slide. So the second option or another option is an interlocal agreement. So interlocal agreements, those are an option under state law to allow cities, counties, governments of all sorts or governments of all sorts to contract with one another. So this does apply to cities and counties, but in this case it also applies to university. There are several requirements

spelled out in state law in what needs to be in an interlocal agreement as far as compensation and several other provisions, but we do have the university of Texas, we do have engineering professionals, water engineering professionals specifically. So I believe an interlocal would be a viable option. We've reached out to the university of Texas center for water and the environment. They have expressed interest

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in the project. So if we use this approach one thing I did want to note is just like in a competitive purchase, interlocal partner can involve other entities. So if they needed a particularly expertise that they didn't necessarily have in-house they could contract out with the third-party as well. So the time leadership for this is shorter and that's because it's really more after negotiation. We would work with the law department. They would work with their law department and we would come to basically a negotiated agreement that reflects the terms of the scope of work. So in this case the timeline to the contract is shorter. We still don't know what the timeline for the project would be. So in either situation we don't really know what the proposed timeline would be. So our next steps, obviously -- next slide, sorry. If we proceed with the rfp we would be soliciting input

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to define our scope of work. That's our pre-solicitation meeting, but we have it to say anybody who has comments we'll hear them. We'll proceed with the solicitation process and go through the steps required. If we go with the interlocal agreement kind of the same thing. We will still take comments and refine the scope of work. We would work with the inner local agreement and our department to come tune agreement. One thing I wanted to mention from a timing perspective is in any case of this and we were talking about this internally in my office, I think one thing we can look at is how we can deliver this because I think this is a really large project. I don't know that -- it's not a two or three month project. It is a big project. That said, I think that we could work with whoever we contract with to come up with a phased approach or certain deliverables and have some information sooner rather than later and I know that was written into the recommendations to share those more realtime than they very end, but there may be other ways we can come up with a phased approach.

[9:50:07 AM]

So that is what I have. If you have questions, comments, etcetera, I am here. >> Alter: Thank you, Ms. Stokes. I appreciate the effort at transparency to make sure we are all on the same page and that we're surfacing how we're proceeding with this. Two just technical clarifications. First, can you explain why we cannot invoke some kind of emergency contracting procedure in this case? And I know you and I have

discussed this and I think it's important for us to surface that. >> Yes. And actually, James Scarborough is available. R he's not on the line here, but if we need more purchasing expertise, he's available. I asked him this question this morning. My understanding is that the emergency purchase requires an immediate sense of -- immediate urgent need I believe is the language. So in order to invoke that I

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think knowing this is a longer term project and looking back at some past incidents I think it would be hard to say there's an immediate safety risk or safety hazard which is what that emergency provision is designed to address. So I can get you more information on that, but that's my kind of very high level understanding of that provision. >> Alter: Thank you. And I also wanted to confirm it's my understanding that when the prior deputy city manager was here we passed a previous interlocal agreement to cover contracts with the UT at Austin so that those require much less negotiation than other situations because we already have basic terms determined and processes on both ends for moving forward with that bureaucracy already kind of resolved. Is that correct? >> Yes. So they're very high level so that we can do lots of different things with the

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university, different kinds of research projects, but I believe this does fall under the umbrella of that. And y'all authorized a large amount to be used by whichever departments need that service. So I believe this would fall under it. >> Alter: Great. Thank you. Council member Fuentes, chair of the Austin water? >> Fuentes: Yes, thank you. Thank you for sharing about what would constitute an expedited contracting process. And I do think that this does fit an immediate and urgent need. More than half of our water is produced at the Ullrich water plant and we know that's where many of the issues have come from, have stemmed from in the last recent years. So knowing just how critical the Ullrich water plant is, how important to have that utility, I think it falls within those parameters. To the extent that as we consider which rfp process

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to consider, I would like for it to be an open consideration, bringing on experts with the necessary insight needed for us to look at and investigate our utilities, especially at Ullrich water plant to better understand what is needed. I think that type of expertise matters so that is where my preference lies at this moment. >> I think there potentially could be. I think that there are in [indiscernible]. And it really does depend to some extent the way they profile some subcontractors. Obviously subcontractors would usually cost more than the university staff.

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Without seeing proposals and/or tentative or informal proposals from the university, I can't really guess too much. I think the numbers that have been on the table there was a 250,000. I think that's a little low up to a million. I think that's a little high. So my hope is that we fall somewhere in between those. >> That makes sense. Thank you. And then can you just remind us about the advantages of having this work done by an external group instead of your office directly? >> I do think this is work that generally my office would love to conduct and we would do the hiring of the third-party, we would do some of the work in-house and we would hire a third-party for the remainder to get that engineering expertise. I think the challenge right now is resources. I think wife had conversations with most or all of you. We are down significantly on our audit staff side so really with a project of this size we would really be setting aside most of the rest of the things that we're trying to do this year.

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>> Kelly: Thank you very much. >> Those questions, councilmember Kelly, are right on point for me. I also approach the Ila approach and it's a cost savings in terms of how much time it would take and I would rather get answers sooner rather than later. And I do think that the expertise at hand at the university of Texas, including their ability to bring on subject matter experts from the private sector would fill in any gaps that potentially would be out there. So I would like to see us move in that direction. And get a better handle on how much it would cost. Two budgets. One is time and the other is money. Thanks. >> Alter: Mr. Scarborough, are you there? >> Chair calculator, this is James -- chair alter, this

[9:56:17 AM]

is James Scarborough. >> Alter: Thank you. I guess you're not in a position to show your video. >> Am I on? >> Alter: I think you might need to open your camera. E chair alter, I'm having issues on my side. >> Alter: That's okay. You can turn it back to the other screen if you want. Good morning. Thank you for being here. So I think we all agree that fixing and addressing any concerns at Austin water is an emergency. However, there are often times when we think something is urgent and emergency, but is not necessarily in line with the codes that we have to follow. It may be. I don't know. So if you could speak to us a little bit about under what conditions for this contract we could be using the emergency contracting provisions, that would be helpful.

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>> Thank you for that question, chair alter and members of the committee. James Scarboro, central procurement. Due to the nature of these types of services we actually have a number of options available to us, but the conversation so far have centered more around clarity regard to the work to be done and the scope of the services and the deliverables needed. So there are a number of exemptions available to local governments under Texas procurement status. Emergency is one of them due to protect health and safety of citizens and city property and so forth. That's one of them. Another exemption would be professional service and others would be sole source and so forth. So we have exemptions available to us that would allow us to buy pass the

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competitive process. You still need to know what types of services that you need. You still need to be able to put the types of service requirements and the scope of the work to be performed, the period of time that the work will be done and so forth, that still needs to be articulated. And we then need to know who is best suited to perform that work. Procurement ideally we like to source through a competitive process, but if we are aware of a professional services provider that is uniquely positioned to provide these services then we can use that as our documentation for professional service exemption. So we have exemptions available to us, but through our conversations thus far we have not identified who might be ideally situated to provide those services to us. That caused us to then discuss possibly using the Ila with Ila with any other

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entity that could perform these services. So there are a number of options available to us and central procurement will continue to work with the auditors office to best kind the one that meets the needs of council and this particular project. >> Alter: Thank you. Council member Fuentes. >> Fuentes: Thank you, Mr. Scarboro for that response. Am I understanding correctly that staff has not been able to identify the groups or entities who could possibly do this work if we were to go down the emergency procurement process, which I think based on the exemptions that you outlined, including health and safety, the importance of having clean, reliable drinking water is of utmost importance and is a safety consideration for our community. Can you elaborate more on that. Staff has not been able who

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we could possibly source for this opportunity. It seems like we have national associations regarding water utilities available that we could lean on to help provide recommendations for this type of work.

I'm curious to hear more about that. >> Council member Fuentes, based on our considerations so far, no one entity has risen to the top or been distinguished as uniquely situated to provide these services. A number of entities have been identified, but when there's a lack of surety as to which entity is most uniquely identified to provide these services the question is then how do you choose among them? Ideally we use the competitive process to choose among them. If an exemption is sought we need some other way of identifying among them. And that has -- where we've left the discussion so far is if we're not going to choose a competitive process to identify who to go with, how then will we determine who to go with? And that's kind of where the

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conversation is now as it pertains to anything outside of normal competition. >> Fuentes: Okay. Perhaps I need clarity on the process. If the rfp process would take six to eight months could we not condense that to a two to three month timeline instead? So that if you have identified an entity that could fill this type of work, but we're not uniquely certain that they could rise to the level of the scope that we need, could we not reach out to those that have been identified and give them a shortened time frame to respond with that proposal? >> That's -- what you're describing is an abbreviated competitive process. It's still a competitive process. So if we were going to use an exemption to then pursue a competitive process it documents.

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It we could abbreviate the process if we could identify portions of the procedure that we would abbreviate. It would still take a number of months, but it certainly would not take the normal period of time that a fully competitive process would typically require. >> Thank you, that's very helpful. To get to the point of the urgency of getting this information back in a timely matter but balancing that with the expertise needed of individuals who understand and know about plant operations and management and can really do that deep dive with that level of professional expertise and having -- and developing a detailed assessment so that we know what is needed moving forward and there's that level of respect too with the recommendations that will come forward. That is the approach that I would be in favor of having an abbreviated competitive process.

[10:03:32 AM]

>> Councilmember Kelly and then councilmember pool. >> Kelly: Thank you for your comments, council member Fuentes. I think that it is -- that the balance of this committee to have this back as soon as possible. We definitely want this information. But I think I also can see that it's not considered an emergency based on what the criteria for that is. And so I believe going through the interlocal

agreement with the university would be our best way to go. I also think that the information that we got yesterday in the boil water notice investigation was extremely helpful and I'm hopeful that Austin water will move forward and ensuring that those types of things don't happen again based on what they put in the report. >> Pool: Yeah, again, I agree that I think the Ila is the best approach. Chair, do you need a motion on this? Or do we just give instructions to staff? E Ms. Stokes, do you want a

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motion? >> I posted this for possible action but that is really to the committee. I can yes, it's probably helpful in this case. >> Alter: So again, I think for me it is important that this process move forward. I am mindful that there are costs of even waiting the two or three months to do the process because if the most likely partner is the university, we missed the whole summer season for them to do work. And for them to engage in the process over the summer when they have the most time to focus very clearly on this project. And we will completely miss that. You're really talking a much longer delay. That doesn't mean there aren't other folks out there

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and I know that the auditors had conversations with several. One of the challenges we have is that we want this to be with groups that do not have conflicts of interest with Austin water and then it becomes an issue of do they have conflicts of interest with our regulators, etcetera. And so there is a balance here that we need to get and I don't think it would -- if we go with interlocal it's not to say it's not an emergency. In fact, it is to say we want to move this up quickly and get it done and we want you to pursue that. I think if we did pursue that, if you felt through the discussions that we weren't getting the quality and response and approach that we could quickly move to a competitive process.

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I mean, to be able to do the emergency process you have to have -- ideally you have a sole source identified who is clearly above and beyond the rest so you're just going quickly to that. I don't think we have that per se because we have other entities that could do the work. But can you tell us a little bit about the other types of organizations that you have considered through the process? >> Sure. We did talk to another university center. They were concerned. They do a lot of work for tceq and Texas water development board, Texas commission for the environment, environmental equality. And the water development board, so they were concerned about that conflict. In addition, in terms of engineering firms, there are many, and that is where I think there are a lot of folks that do this engineering work and a lot of folks that do this utility on a regular basis so some of those may be perfect, but they also work

[10:07:38 AM]

with our utility on a regular basis so they may have been involved in installing or implementing some of the things that we're actually asking to review. So that to me was a piece of where sole source would be very challenging or sole source or professional consulting. I think the vendor should be the one doing the work. I think that's more challenging in this environment where we have a utility that uses outside expertise routinely and we have some great outside expertise here in Austin, but those overlap. >>

Alter: So Mr. Scarboro, I'm a little confused. I understand that one could in theory do certain things, but I'm having trouble understanding how that is legitimate under our contracting procedures.

[10:08:41 AM]

>> Chair alter, it's a really good question and we try to reserve the use of the emergency exemption for when the need for the services are very, very urgent. Like I said earlier, there are a number of other exemptions available to us. The type of service that this would be involved in would fall under our professional service exemption. So the professional service exemption would be available to us for this purpose without needing to qualify the circumstances and emergency. So we have an exemption available. The question would have been then if you bypass the competitive process who then would you go with for the contract? And typically if we were not going to have a competitive process we would identify who is uniquely positioned that has the key expertise that is ready to go, that has history in this particular field with a city and so forth. And if we don't have that

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contractor identified and we still wish to look amongst those that may be able to do this, then a limited competitive process is one way to do that. Unfortunately Texas procurement status doesn't really recognize that middle unit ground. In federal contracting it's called other than full competition. Around under the model procurement code of the American bar association that would be called a special procurement. We just don't have regulations in Texas that address limited competition. It is available to us but we don't have the ability to point to a Texas statute. So if we wish to do something other than full competition and there is an exemption available and in this case there is, then we can identify who is uniquely available to provide these services and right now that's not apparent. And so if we know those that I be able to provide this service, but not proceed with a full competitive process, we can

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look at a limited competitive process. Will likely be a bit shorter but it will still involve a number of months to bring forward a recommendation for council approval. >> Alter: But we still don't know we have the statutory authority to do that? >> No. There is nothing preventing us from doing a limited process. It's just that a limited process that -- that description, that procedure, is not defined in statute. Texas procurement statute is either full competitive or no competitive. There's no middle ground. And what we're describing is a middle ground. >> Alter: So we can do it but there's no process. >> Correct. >> Alter: Councilmember

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pool? >> Pool: Would you like a motion? I think it would be great if councilmember Kelly made a motion. >> Kelly: I would like to make a motion to move forward with the interlocal agreement with the university of Texas regarding mayor pro tem's resolution for the audit of Austin water. >> Pool: I'll second. >> Alter: So we have a motion to move forward with the interlocal agreement. Do you want that to be as specific as this university at this specific time or do you want -- >> I'm comfortable either way. Given this is the only university that we have -- well, it's not the only university. It's the only university that has said they were interested in this agreement. So I would be comfortable with that. >> Alter: Okay. Any discussion? Council member Fuentes. >> Thank you. I will not be voting to support moving forward with an Ila process. I believe what was just laid out and that we do have an exemption available that would allow us to have a competitive process to seek outside expertise, that is an option that is available

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to us. I believe this also rises to the level of being an emergency nature. We are tasked with proceeding safe, clean drinking water for our community. To me it's important that we get not only just information back in a timely manner, but information that is absolutely needed to the degree of the expertise that is needed for us to correctly and adequately and sufficiently identify the issues that we need to improve operations and plant management of our utility. So I cannot support moving forward with an Ila process, but of course support the full external audit and investigation of our utility. >> Thank you. Councilmember pool, if you want to make any other comments on the contracting process, which what we're talking about. I think we have absolute full agreement on this committee that we need to be watching out for the quality of our services and I just want to be very clear that this is a process question

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and it is not a question about one's commitment for a full investigation or for the health and safety of our water. Councilmember pool. >> Pool: Absolutely. And I will amplify that thank you, chair. And to

amplify the extent that we need to be aware of potential and reconflicts of interest when we are reaching out to bring in a group with the necessary expertise and we need to safeguard the community and the city against improper conflicts of interest or any conflict of interest. I guess they're probably all improper. That is why I am very comfortable with the interlocal agreement approach with the university of Texas. The neutrality is very important to me. >> Councilmember Kelly. >> Kelly: I guess in my mind this feels like what are somewhat moving forward by a quicker rate of speed by doing the interlocal agreement. We're bringing in our local partners to help with this

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audit and we will be able to move forward with the resolution to -- the results that we need sooner. I appreciate that. I also appreciate councilmember pool bringing up the conflicts of interest, that is a real thing that we need to be aware of. Thank you. >> Fuentes: Chair, I have one more comment. >> Alter: Council member Fuentes. >> Fuentes: The notion of conflicts of interest, I don't think I would need more questions it to see all the entities that were considered. Can you please go down and label each as if -- let us know, indicate which one would potentially have a conflict of interest. I think there's probably another process in place that we could consider to put in place should we go down the competitive process route to avoid any complicates, whether it's having them agree to a moratorium of services or having them to not opt in to partner with the city on certain works. There are additional considerations that could have been part of this conversation also. And I know we probably don't have time for today, but knowing that staff has said they did identify entities

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that could potentially deliver this type of scope of services, but we didn't know if they were uniquely positioned. I would certainly want more information on that end to better understand, okay, what were those services that were identified and what is the scope of what we need that would have let to that unique standing. I wanted to highlight that there is certainly more information to be considered. >> Alter: So council member Fuentes, I appreciate your position and I had similar conversations that I think you had about this this morning. And I've been reflecting and thinking about this. I want to be really clear that Mr. Scarboro did not say we could operate under an emergency. He said we could continue dog with a professional services approach which is an opportunity that we have and that we could then do the competitive process shortened for which there is

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no defined process which means there will be some spinning of the wheels and a whole other process. We clearly know how to do the longer process, the shortened process in this case, I think is going to lead

us to taking more than the three months to get the contract done. It then has to come back to council. There is a whole lot of things that do the delay. I think what I would suggest is it if I might make a friendly amendment to the motion is to provide direction as directed with the caveat that if through the negotiation process at any point the auditor does not feel like this is the prudent way or we find that there is a clear way to move forward expeditiously with a competitive process or a need to move forward with a more competitive process that you will do so.

[10:18:00 AM]

It's my understanding at this point in time that my sense is moving forward with an interlocal agreement allows us to move most expeditiously and in a manner in which the work can be done and underway this summer as opposed to then having to wait at best to a time period of December or January, for getting that work done. I don't think there's one right answer here and reasonable people can disagree and it does not mean that anyone is less committed to this work. This is the audit that I put forward which I was happy to have several of you co-sponsor with me. I agree that it is something we want done and we want

[10:19:01 AM]

done quickly now that we have the investigation done by Austin water, it is an appropriate time to move forward with an agreement. I think we needed for that to be back to make sure we had that information going to the contract. Councilmember Kelly, would you accept that as a friendly amendment? >> Kelly: I would, but I didn't hear in there that the auditor would come back to Austin with the additional option if they saw it fit? I was wondering if that might be part of the direction that I accept? >> Alter: So if it's other than the interlocal agreement? >> Yes. >> Alter: My understanding is that depending on the amount there may be ways for the interlocal agreement to go forward. >> Kelly: Okay. I accept that as a friendly. >> Alter: And anyone on this committee and any council member, I know that the auditor welcomes talking with her and she has been very open and invited folks and the folks who are

[10:20:03 AM]

advocating more for the professional service contract approach should reach out to the auditor and share any concerns or information that might be relevant to her decision that we're not able to air sufficiently in this meeting. So with that -- councilmember pool is fine with my amendment. Council member Fuentes, does that move somewhere towards addressing some of your concerns? Great. Thank you. Okay. So we will now take a vote and is the clerk and the auditors clear on the motion? >> Yes. >> Alter: We will now take a vote. All those in favor? Councilmember Kelly, councilmember alter, councilmember pool in favor. Council member Fuentes are you voting no or abstaining? Council

member Fuentes is abstaining. >> Thank y'all. >> Alter: Thank you very much. I appreciate the transparency. And sometimes our processes

[10:21:04 AM]

and our procedures with procurement are not always the swiftest on the block and I know that Ms. Thomas is most is working closely on a provision of that process. Mr. Scarborough, I know we talked about this last year. Do you know when you will be ready for the procurement process provisions so we can review those more broadly? >> Council member, yes, thank you. And thank you for keeping procurement on your radar. We really appreciate it. You might have heard that our new cfo, Ed van eenoo, has been engaging in a bit of reorganization of financial services department. And so the last several months we have spent a fair amount of time consolidating and kind of identifying those elements of our operation that are consistent and different between the former purchasing office and capital contracting office.

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So as we've been bringing us together, some of the projects that we've been working on, we've kind of paused. Mainly because the regulations and procedures we have been working on were limited to general procurement only and were not inclusive of construction procurement. So by combining the two areas into a unified city procurement operations we wanted to make sure that any updates to city procurement regulations also included construction. So we are working on that again now and we hope to be able to provide you with some high level timelines as to when we can start bringing elements of our revised procurement processes to you very, very shortly. I don't have any dates right now, but it is something that is primary on our things to do. >> Alter: Thank you. I was not aware of that

[10:23:06 AM]

particular reorganization so perhaps Mr. Van eenoo can come visit us at one of our next meetings and provide an update on that process. I think it's always good to relook at things so I don't find it problematic. I just want to be clear on that, but I do think we should be transparent about that process. So if Mr. Scarborough, if you can share that with Mr. Van eenoo, I know that Ms. Thomas, you normally attend -- who normally attends, is out sick today. If you could pass that information on I appreciate it. Looks like councilmember Kelly had a question. Anyone have a question for Mr. Scarborough? Okay. Thank you. >> Thank you. >> Alter: >> Alter: So we will now move on to discussion and possible action regarding audit and finance committee meeting dates for 2022. So as mentioned when we

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adopted the calendar, we weren't sure what we wanted to do about the June, July options. So the auditor is going to present us some options to consider. >> So through discussions with various folks, the idea would be to move June up a week. So from the 22nd to the 15th so it's currently its usual spot in the fourth Wednesday but we would move that up one week and then cancel the July meeting entirely. And I think given the stuff that's coming from my office and from the controller's office, and I believe from the clerk's office as well, that timing should work to just not have a July meeting at all. I did notice that the people on the dais today are available for that June 15th day. We have not confirmed if councilmember tovo is available on that date. >> Alter: Thank you. I understand there's an aprs meeting potentially on the same day so we might move the meeting up to 9:00 A.M. Which then allows her to get to an 11:30aprs and also Ms. Thomas usually needs to

[10:25:10 AM]

be here, has the same thing. Councilmember Kelly. >> Kelly: I'd like to make a motion to move the June meeting to the 15th and to cancel the July meeting entirely. >> Alter: Thank you. So moved. Seconded by councilmember pool. All those in favor? Unanimous on the dais. And then we will just be on the lookout for the time of sort of when it starts. Thank you. Okay. We will now move to item 6. Stephanie, did you want to come up and speak to us about amending the bylaws for the joint sustainability committee, please?

[10:26:22 AM]

>> Good morning, Stephanie hall, interim assistant city Clarke. I am here to provide some amendments for the joint sustainability committee. I have a presentation and want to do a quick review of what we talked about last time. These are the proposed amendments for the jse meeting. Next slide, please. These are the few amendments that staff recommends. There's amendment to article 2, the purpose and disputes, to include the reference of the Austin climate equity plan. There's an edit to article 3 membership to increase the membership from 13 to 18. In addition there's notation that the mayor will nominate five additional members. There's an edit to article 7 meetings regarding the change from the meeting frequency to monthly. An edit also in meetings F to update the number required to attend quorum, which would be 10. Next slide, please. There are a couple of amendments that staff does not agree with. The first is in article 8 for committees. The proposed amendment is to

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add that the joint sustainability committee may have committees. This is just not something we would recommend until they are moving to have committees and then we would make an amendment at that time. The recommendation is that it remain the joint sustainability committee will have no committees. Also article eight for the work groups, a similar situation. The proposed amendment states staff support is not guaranteed for work groups. This is not something that's provided for in city code so our recommendation is to maintain the template, which would just say staff support will not be provided for work groups. The additional question that came up, next slide, please. Is about the proposed bylaw amendments for article 7 meetings. And I have two slides about this. The proposed -- the current proposed amend by jse is that a board action is adopted by an affirmative action of two-thirds of the members. Our recommendation is to maintain the template language, which is a little bit longer. If only a quorum is present at the meeting a board action is adopted by an affirmative vote of

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two-thirds of the quorum. If more than a quorum is present at the meeting a board action must be enacted by an the number of members required for a quorum. I do have one more slide which I think helps show this a little bit. This just graphs out what this looks like, what the voting changes would look like. The first column in blue is what a normal standard 11 body looks like with the voting. It stays at six every time no matter who is there. The middle section is what the standard bylaw template is showing that the only time the necessary votes would change is if only a quorum is present of 10 members. Any time there's an additional member the required votes would stay at 10. And then the yellow is the current proposal. So it's actually to suggest that two-thirds of whoever is present would be necessary to pass whatever item is being addressed. So you can see how this changes depending on who's in attendance. And who thirds is a little bit tricky to quality so there's a little bit after roundup on that.

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So our recommendation would be to stay with the bylaw template. And that's it and I'm here for questions. >> Alter: Can you just go back to the first part of the slide on the appointment of the -- >> The very first one? >> Alter: The second one. . >> One more. >> Yeah. For article three. That's what I wanted to check. >> Oh, yes. You want to talk about the membership section. >> Yes. Go through that. Article three for membership is quite a long session. The edit is to change the board -- there's an addition to include qualifications. The council committee assigned oversight of social services

[10:30:24 AM]

policy will nominate one individual and the mayor will nominate individuals. The last sentence adding council will consider the racial composition. Those are the amendments they're making. I believe last time what was in question was the addition of the five individual members -- who was going to nominate those. >> Can you explain to the committee what was explained to my office about what our options are for motions today. >> Yes. In reference to the proposed amendment for article three, the amendment is to increase the size from 13 to 18. City code does reference for boards over 11 the boards will appoint additional membership. For a board with 11 or more members each council member will nominate one member to serve on the board and the mayor will nominate the rest.

[10:31:25 AM]

Currently city code 21206 identifies two boards and commissions to nominate the representatives and the third to be assigned to oversee health and services. They're able to approve or deny. This would mean the wording would be needed to be proved as is or deny it. But would not be able to alter the piece without joint sustainability committing recommending it first. Our recommendation is that the mayor submit the nominations. The process allows for nominations or objections or recommendations that can be addressed with the mayor or council meeting. If the desire is to add confirmation process we would need draft a proposed amendment. >> Can we put in a timing of

[10:32:27 AM]

when the mayor has to share those with council. >> I think that was addressed but I believe there could be direction given or a process established outside of what is actually in the bylaws and what we approve and don't approve. Caroline, did you have any thoughts on that. >> Basically the same thing you said, Stephanie. If you wanted to provide a recommendation or direction to the jfc, then you can do that and then they can consider that and when they -- you know, if they come back if they decide to make those changes and adjust their bylaws accordingly, they could come back to you with a different draft for the bylaws. >> So we can direct them to make by law changes. My question is can we provide direction -- how do we make it so the mayor has to give us a two-week notice minimum on those appointments, for instance,.

[10:33:31 AM]

>> I would think -- the bylaws and amendments usually come from the boards and commissions themselves as opposed to be being suggested by you all or city council. If you wanted to force the issue we could -- you could have an ordinance to amend city code. These will amend city code anyway because these don't comply with what city code says. You could force their hand theoretically by making a change to city code and then they would have to comply with what was in city code, but it's up to y'all

if you wanted to take that sort of approach. >> Okay. I'm going to open it up to others. I just want to point out we need to move into executive session. We're only going to take about

[10:34:33 AM]

five minutes so please be as quick as possible. Council member pool? >> Pool: I wanted to point out that while the mayor may make the nomination, any mayor of the council at any time can offer a name for -- to put on the list and be considered for the nomination. It's not a closed nomination. Am I correct on that. >> Yes. Sorry. >> No, Caroline, go ahead, please. >> There's nothing that limits you all from making suggestions from the dais or the mayor ahead of time or on the message board or any of the other legitimate communicating ways you're allowed to communicate. There is nothing that would limit that. Even once the mayor provides his list of nominees, you know, as Stephanie mentioned, at that point you can still discuss that. The final appointment is up to council as a whole. >> That's right. >> If there's something you're

[10:35:35 AM]

not comfortable with or need more information or whatever, you have input and control of that process. >> That's great. Thank you for making sure that's clear. I think we understand that. I'm good with the recommendations staff is making for which sections to amend and which not to amend and to keep them as written in code. I want to ensure that we have significant -- across the board standardization as best we can across the many dozens commissions and boards that we have. >> Thank you. Council member Kelly. >> I'm glad we're having this conversation today. When I first saw that slide I was a little uncomfortable but after council member pool spoke -- and knowing we can discuss at council meetings. We have that part every week with a council meeting that's important. I'd like to make a motion to

[10:36:35 AM]

adopt the bylaws for the joint sustainability committee. >> Seconded by council member Fuentes. I would like to add direction that when the ordinance changes come back we provided options considering the mayor to require us two-weeks notice for appointees he makes in general so that we have an opportunity to review them rather than just the night before. You know, with the bios and whatever, which is consistent in what we put in for all ourselves for planning commission appointees, but I think that's a practice we should be doing. Is that considered a friendly amendment. >> Absolutely. Thank you for that direction. >> If that needs to be done otherwise on reflection of legal, but for now we'll take

[10:37:36 AM]

that as the motion with that direction there. So I guess we have to vote. All those in favor? It's unanimous on the dais. Okay. The last item we have is -- the last item, we have an open session -- item 9, which is future items, which we just have the annual finance items and the budget rider. I believe I can come out and announce who we want to interview without making everyone else come out. Is that correct? Or do we need to take a vote? So we need -- the committee will now go into closed session to take up two items. The committee will discuss security audit matters,

[10:38:38 AM]

personnel matters related to item 8, recommendations to appointments for civil service commission. Any objections on going into executive session on the item announced? Hearing none, the committee will go into executive session. Do we have folks that will be online. >> [Microphone not turned on]. >> Okay. If we have anyone joining online, we probably need to do it virtual. >> I'm okay with virtual. >> We'll do it virtual and when we come back, I'll come out and make the announcements. If everyone can be as quick as possible to get to their offices and staff can be in the bull pin or other room or we can put you in conference rooms

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up stairs if you want. Thank you.

[11:41:20 AM]

>>> >>> >> [Executive session].

[11:45:20 AM]

>> Alter: Thank you, mayor pro tem, the finance committee, we have concluded our discussion of -- of -- we are out of closed session and in closed session we took up and discussed security audit matters related to item 7 and personnel matters related to item 8. Before I adjourn this meeting, I want to announce for item 3 for the municipal civil service appointments, that committee has provided direction

to our staff to set up interviews which will hopefully happen in April in time for appointments. With that, it is 11:45 on March 30th and I-- I conclude this meeting of the audio finance committee. Thank you. [End of meeting]