

Audit and Finance Committee (AFC) Meeting Transcript – 11/21/2022

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[9:55:26 AM]

We're good, okay? Great. Good morning. My name is Alison alter mayor pro tem of the city of Austin. And I'm chair of the audit and finance committee would like to convene this meeting of the audit and finance committee. It's 9 55 am on Monday, November 21st and we are meeting in council chambers. Obviously, any of our other colleagues are welcome to stay for our audit and finance committee meeting. The cold weather, shelter and cooling center audit is postponed to the December meeting per the city manager's offices request. Today we'll be discussing the airport at least a special request from council member Fuentes and myself and an update on the city's pension systems. The fy 22 integrity unit update in future items for our December meeting. Are there any public communications speakers this morning? Okay, take Mr Greenberg

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first. Chair alter and members of the committee. My name is Betsy Greenberg, and I'm, a member of the ethics review commission. In July, the commission passed two resolutions that I'd like you to consider the resolutions recommend changes to section 2-7 of the city code in particular the parts of the code. That described what is required to be listed on the statement of financial interest as council members. One of your important responsibilities is making decisions about land use and members of the public need to be assured that the mayor and council members do not have conflicts of interest when making these decisions, so the purpose of the first resolution is to require that interest in real property be identified even when the property is held by a corporation partnership or other entity in which the official owns a substantial interest as defined elsewhere in the code.

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Currently, the mayor and council members have interests in limited partnerships. But there's no disclosure about what these entities own. So this code change would improve transparency. The second resolution would further improve transparency by requiring the city clerk to post to the city's website. The financial disclosure forms filed by elected city officials as well as candidates for elected office . Currently the forms are available, but only with the public information request. My experience with public information request process is the receiving requested information is often slow and incomplete, so eliminating the need for a request. Would be helpful. I have unsuccessfully and repeatedly emailed this, committee asking for these resolutions to be considered. So today I am in here in person, rather than asking you to discuss the item in December, which means at best, the code some change sometime next year.

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I'm asking those of you who are in favor of transparency. To put these code changes on the agenda for one of your remaining council meetings for this year. And to require that it apply to outgoing mayor and council members. Thank you. Thank you, Mr Greenberg. We have one online speaker. Miss ice. Can you hear us? Yes I can. Can you hear me here? All set to go. All right. Thank you . Yes my name is Lauren ice. I'm here to speak on related to item three regarding the airport community benefits report that I'm speaking today on my individual capacity as a resident of just one. I wanted to say that I appreciate, y'all following up on some of the commitments that were made regarding the airport back in

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March and April and council member Fuentes led the efforts to require alternative locations for the new jet fuel tank farm, but I do have a few concerns about the report that I'd like to note for the record, first. My understanding is that this is what this report was in large part of response to the community outcry over the tank farm and what I would describe as a broken process. Considering that it was approved with zero community engagement, and I think most folks agreed at the time that it was a broken process. And so, while, council member of Flint has made folks aware of the draft report and the meeting today we didn't find out about it until Friday evening, and this is, you know Thanksgiving week and I understand everyone's busy, but I hope that you're planning another meeting with the community discussed the draft report. Consider about community benefit. I think the community will have a lot of thoughts that could help make a final report a little more valuable and useful.

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And the second thing I wanted to discuss with the purpose of the report. B objectives that are opposed in the report really seems to be whether the airport tenants are meeting the airports, minimum development standards and how the airport is performing on certain community benefit magic benefits metrics compared to other airports. Regarding the minimum standards . I don't feel like this is the appropriate metric for us to be using. I don't know that it's a particularly useful one to examine. For example, what happened with the tank farm was the problem. Exact problem was the airport only met the minimum standards. The minimum standards did not include adequate community engagement, nor do they include any kind of environmental justice component. And that was the problem with that that the minimum standards were just not good enough. And along those same lines. When this was raised, the public felt like there was very little oversight of the private actors who were using the airport property and that our airport is acting like its more accountable

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to those private actors, and it is to the public. And this report relies heavily on information provided by the airport. And I think there are other better sources of this information, particularly if we're asking the right question. And I think that the more important questions for this report to get at will be not at how the airport compared necessarily to what happened that other airports, although I do think there is really really valuable information at that point. But really, the better question is how the airport compares to what the community needs and what the community deserves. So in closing, I would just urge you to provide the community and opportunity to help refine some of the metrics in this report. And at the same time I urge you not to let this report be an obstacle for achieving real change that's needed right now, for example, one of the things that was mentioned in the community benefits program that other airports are doing is funding for health, environmental and air quality studies. And air monitors are something that the

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community has been asking for now, and there should be something that could be happening now before anymore. Construction get started at the airport property so with that. I'll just say, I hope you guys put this on the new agenda. I hope you do more hours to the community on this item. Thank you very much for your time. Thank you. Miss ice will speak to this item when it comes up a little bit. A little bit more on and what a special report means and where this fits into overall efforts to address that concerns many of the concerns that including those you raised we have, first on our agenda is to approve the minutes. I have a motion to approve the minutes. Council member Fuentes makes that motion seconded by council member Kelly all those in favor. Unanimous with the full committee here on the diaspora, virtual okay. I don't number two is the presentation of the cold weather shelters and hot weather cooling centers audit. We are

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going to postpone this if there's no objection to the December 13th meeting. True go ahead. Objection on my end, but I do you know, I want to highlight this week. We've experienced some some cooler while some cold weather and just want to highlight the importance of having this information presented to council it is on us to ensure that we have and implement whether responsive implement weather system plan and response effort coordinated for our housed neighbors. This is extremely timely and I don't want us. I don't want to see this further delayed and we get into the winter months and have, have some icy conditions and us not have a plan in place. We certainly learned a lot from last year's weather conditions, and I just want us to keep moving forward on our efforts. Thank you. Council member quantas council member, Kelly, then council member tovo. Thank you and thank you. Council member Fuentes for your your feedback on that I'm in the same line of thinking is you I would just ask that between now and

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our briefing that the cpo really worked hard to ensure that our city has information that they need in between now and then, so that everyone is considered. When we move forward with our plans. Thank you. Counsel Alberto. I share the concerns and I'd like to know a little bit more about why there are why the manager requested has moment because one of the things that happens is, just into my council member of Fuentes mentioned which is that we're in the cold weather season. It also prevents us if some policy action or other other kinds of action or direct that are the council would need to shake. It prevents us from doing so because it will happen after our last council meeting of the year. So can I from the city master why they've requested a postponement. Sure sure. We have miss prison. You're here. Council member Veronica Bruce, senior assistant city manager. The city manager's office requested the postponement to allow us for additional time to coordinate

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our response. The audit impacts multiple departments as you all are aware, and we wanted to make sure that we were coordinating that response through the city manager's office to the audit finance committee meeting. We understand the importance of having this briefing sooner than later and so appreciate the generosity of the additional month and we are committed to coming in December so that we can have this discussion prior or as were important, coming into colder weather certainly understand the priority from council in that regard. Director it's they. The challenge, though, is that if there is any council action needed, there were long lag between the time of the presentation. And when that council direction could happen, so you know, through I'm not sure whether the man in the city of bitter can give us some sense of what the findings might have been in there, or what kinds of observations may have. They have made so that we can at least thinking about about

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things that may require. So the action so, Corey stoke city auditor. I think that we have, done briefings with some of you and we can do briefings with others. If you want to hear the results of that work, we can certainly provide the results. I think what we were allowing more time for us the response to the recommendations that are coming out of that, so we're happy to share those, and we can set that up with your office if you're interested. That sounds good. Thank you. My chapel. I want to just to double check with acm Arsenio that the fact that. Staff has asked for additional time to work on recommendations and responses to this audit. Sounds like good due diligence. It also tells me that staff is aware of the audit what the findings are in the audit and is taking them seriously and creating a robust response to that, so that while the delay and delivering the report final

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report to us in audit and finance is a simply the ministerial piece of that. But the rest of it, which is the actual programmatic operational and implementation pieces. Are they going ahead? Are they proceeding? Council member that is correct. We are really wanting to provide a robust response because we understand the importance of this we are. We do have the findings from the auditor and we are taking them very seriously and wanting to make sure that we're talking about everything that we're doing in response. And operationally we are still moving forward. Of course, as we anticipate the cold season coming upon us. That will not stop our work in that regard, either. Thank you. Thank you, you know. I too am concerned about making sure that we have the right tools in place as we enter into our cold weather. It

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was my understanding that this delay was going to allow them to reinforce and really, you know comes also at the same time as they have to prepare for it. For that season, so we wanted to make sure that they could do both the preparations and the response to the report. I was comfortable with this. We can always do a special called meeting. If we need to, we can provide direction. Of sorts at our at our meeting. In December , as well, so if there are no objections, we're going to go ahead and postpone that item until the December 13th meeting. Thank you. Mr person is for joining us this morning on that. We will now move to item number three. Which is the presentation of the airport leases and community benefits. Special request report. And miss stokes before we get into the details of that, if you could speak to what especially the purpose of a special report is, this is a request that council member Fuentes and I made we do not

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normally present a special request at the council. Meeting so if you could speak to procedurally what what the involves please before absolutely so special quest is, tool available to the city council. We need two people on city council to agree that they want us to go. Answer some questions. My staff have a lot of research skills that can be valuable when you have a policy question, or you have something that you want more information about either how the city does something or other cities do something. So in this case, that's what we were looking at. So it is designed to answer very specific questions. We try to design it in a way that we can do it fairly quickly. And get the information back to you all and ideas that it's information that my office can provide to help inform, decisions that you need to make or or to help inform you about ways the city operates. That may be different. Or that that may require some kind of more in depth research.

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Then you all can do in the limited time you have available when not doing the rest of your job. So that's the idea behind the special request, and that's why this does answer specific questions. I understand it sounds like there are some community questions that go beyond the kind of questions asked in the special request. Certainly we could handle those with a future special request. Should the council want to do that? But really, we're trying to provide you all with some information to help inform next steps. But thank you, and I just want to underscore it is not an audit. We don't have to do any. You don't take any action. We are providing this is an additional forum to daylight. Some of the issues. But it is. It is as thought of her mentioned a way for us to get additional information. I don't want to speak for council member funds. But I'll just speak for myself. I think this is one piece of efforts where taking to better understand how we can meet the community objectives.

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Piece of the airport as we expand, and so we can go ahead. Great and I would say the other thing, and I think you mentioned this is that we don't usually present these we do present them if asked. We all present them to finance but we usually happens is we release them to the requesters. We wait a couple of days and we've released them to the full council in the public. So as our general process, we don't necessarily present them. But this seems like a great opportunity. To share the results of our work. So I'll go over to Franco was the manager on this project, henrico tumor was the lead and Jake Perry will be making presentation today, so he's going to take my place. Hello. Can everybody hear me? All right. Okay? Good morning. My name is Jake Perry. I'm one of the auditors who work to fill the special request on airport leases and community benefits. Does this work? So are a U. S airport covers a little over

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4200 acres of land. And of that land a little over 300 acres are leased out to various vendors. These venues include everyone from concessionary to fixed base operators. Texas National Guard etcetera. Us airport also has plans to expand over the next 20 years. In a review of the least land we found over the past 10 years. There were 40 active leases, which 31 of those are still currently active. We also reviewed the leases to see if any of them contain any explicit provisions that exempted tenants from compliance with the airport rules or the airport minimum standards for a little bit of context. The airport rules pertain to the organization of the airport there to ensure that everything moves on efficiently and that customers have a great customer experience. Whereas the minimum standards are about the construction operation and maintenance of facilities on the airport land. And we found too explicit exemptions from the airport minimum standards and no exemptions from the airport rules. The two of the two exemptions we found the first

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was for a private hangar operator to construct a fuel tank. And the second was not necessarily an exemption for a specific purpose. But it was a provision that said, if the least were to conflict with the minimum standards that the lease would override and control we also reviewed the leases to pardon me. Talk louder. Oh yeah, sure. Yeah fix that, Mike. So picture better. I missed what you just said about the two leases that were the two exemptions. Compliance? Yeah. Yeah the two exceptions. The first was for a private hangar operator to construct a fuel tank. And the second was a provision that said that if the minimum standards were to conflict, with the least that the least would override and control we also reviewed the leases to see if any of them would hinder the airport's ability to be self sustaining sustainability in this context is not environmental, its financial, it's to make sure that least how the F a just finds it is that the airport can maximize use of its resources in this case land and then the least revenue that comes off the

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land. We found that a us leases are all based on historical rates, which are inscribed in the initial lease. They do have provisions for periodic escalations, though. The we also found two specific leases that charge nominal rates of \$1 per acre to the Texas National Guard in the state of Texas. That's pretty normal, but the FAA does recommend that all leases follow fair market value. The FAA also recommends that a study be conducted to determine fair market value by the airport. An airport management has informed us that they are currently in the planning phase of such a study for themselves. Outside of leases. We also looked at how the airports in other cities and in Austin, support the communities around them. To start off with direct benefits provided to the community. We identified four major categories

of educational collaboration targeted hiring small business promotion and green building. That were pretty common in the air or the airports we surveyed. We found that Austin already has

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educational collaboration in green building. Small business promotion underway. Airports also had unique programs that they would do. Austin, for example, has a food assistance program that was unique. JFK has a business incubator program that offers business consultancy services. That was also pretty unique for some examples. We also looked at what mitigating measures airports offer to their communities because you know, living near an airport can be noisy. It can be kind of industrial we found the community consultation was very common. According to the materials that we obtained with every airport we surveyed doing some sort of back and forth with the community related to expansions and with noise control, environmental protection, nighttime departure restrictions and other land use programs being pretty common. We also looked into what airports had community benefits agreements, community benefits agreement or a C B a is a formal guarantee of specific benefits and mitigating measures to a community while an airport conducts a specific expansion. Of the eight airports. We looked

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at only JFK and L a X had active or recently active CBS. The programs that were in CBS, where sometimes unique. There were sometimes new programs that were brought to life through his C B a. But most of the time, it was simply a guarantee of existing or specific benefits for a specific expansion. Last we also looked at how airline carriers support nearby communities. We surveyed the seven most frequent flyers to a U. S airport and looked at what benefits they offer to their communities. And the big caveat here being that they provide these benefits to airports where they operate a hub. And Austin currently does not operate a hub for any of these airlines. So these are what they offer if we were to enter into a partnership like that. And that concludes a report. Thank you all and we'd be happy to answer any questions. Thank you. Council members want us? This is your report that you want to ask questions first. Thank you. Thank you so much colleagues. As you all know, this report came about from a request about

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understand how airports operate and. Well, one to understand land use agreements and land leases on our airport and then to better understand how airlines support and invest in surrounding communities around the airport. And so this report was extremely helpful when I appreciate staff findings, and I know we had the chance to meet with staff previously to discuss the findings. At this time I just wanted I just have one quick question. Or two questions to clarify. You said at the airport did say that they were

working on a market study. Yes management informative that they are in the planning phase of a market study planning phase of a market study. That is certainly something that I will follow up with our aviation leaders. I think it's important, especially knowing that many of our our land leases are not at at market at this point, and that they're using historical rates and that there's a lot of improvement lot of work to do on that end. That is something that I will

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continue to press forward to ensure that as the airport expands that we are doing right by our community, and, by our constituents. And the other question I had was on the last slide you there was a, you can put it back up to the last slide maybe was the second to last slide. But there was it was the chart that had land use programs. It was on. Yeah can you further explain what you mean by land use programs? That's kind of a big catch all category that we may do include anything that involves like certain building standards like San Jose, for example, like tries to coordinate with business owners, residential owners to make sure that like there's not building above a certain height for convenience and structural integrity purposes. There's all kinds of other things that include that, making sure that for example, homeless populations are not too close to hazardous areas of the

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airport. That's just kind of a catch all term for lots of like land use programs. Okay thank you. Certainly. We'll look into and to that issue further to see if there are any best practices that we can pick up as I mentioned earlier, the airport is undergoing a massive expansion program and southeast Austin is an area that's expense experiencing tremendous growth. We have a lot of people moving to south east Austin and southeast Travis county, so I just want to make sure that we're balancing the needs of both, and again just colleagues want to point out that this report the special report was is an effort to better understand how we can operate as a city that manages our own airport, and so I look forward to advancing additional policy measures working with their aviation leaders. They are rolling out a green team and a community advisory group. The first hiring the F T that was approved in the last budget cycle that we past we'll include a full time community engagement specialists, and once that person is on board, they will

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then work with the community and developing a community advisory group that will have these conversations with their aviation team and will help advise on the expansion of the airport. Thank you. Council member Fuentes, for the land used programs that you just meant. How did you count the airport overlay? Part pardon me . Did you count the airport overlay here in Austin? Because we have a

we have a what we call an overlay within. Our land development code that doesn't allow certain things within the area near the airport. Think we counted that as and all the dimensions. Hold on a second. Although of teranga quality assurance coordinator so I guess the way we collected and analyzed the information as, we asked the airport staff to, kind of share the programs that they have in, that are active right

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now and kind of help us classify them and, I don't believe that was one of the programs where they can definitively say that, what's happening? I think there might have been some change of leadership and kind of missing information for them to speak to that program for us to include it with a level of confidence that we wanted, so we love to. Can you send us a list of what are the land use programs that were cited by other folks so we can understand. Those because I think that's kind of a bucket of things that may be useful. As we move as we move forward, yes. Absolutely willful up with that. Thank you. Vice chair, pool. If you could put slide the slide back up that we were looking at before. When council member Fuentes? Yeah. There so the mitigating measures I had a couple of questions on the slides where it says the red X for Austin for nighttime departure restrictions. I know that flights and at a certain time like, say, 11 30 at night

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or midnight and then they begin again around 5 30 in the morning, so we have effectively nighttime restrictions. At least that's how it looks to me. Can you explain why there's a red X for Austin in that box? Sure. So how we counted it. That's kind of a casualty of how we're choosing to present the information. We counted specific like or didn't like restrictions like rules hard and fast rules. The airport does close at night. And also has an informal agreement with airlines not to fly in past certain times, but we counted formal restrictions, so that's just kind of how he chose to present the information. But in fact we have nighttime departure restrictions. Not a formal rule. Okay so tell me again, the airport airlines do stop flying at yeah. So the airport does close between, like midnight to five or midnight to six. And

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airlines have an informal agreement not to fly at those times or later. But the way that we cannot be information as we can, and if there was a specific formal restriction okay, so they so aviation department is not telling the airlines they are restricted from flying. But the airlines know that the airport is closed from midnight till five am that seems a little bit of a have a nuance where that red X to me says that we don't care about nighttime departure and we're not restricting it when in fact airlines

are clear. That between midnight and five am ah, the airport's closed. So I take exception to that box there. If you could scroll down to the next one to the next slide, please. I think it was the next slide, which is the slide that talks about okay. The

[10:24:56 AM]

community benefits agreement. Yeah. Where is that chart? No. The community is a community benefits hubs. Well, let's talk about the hubs issue. My understanding is that these airlines have entered into a financial agreement with they're in order with the city to have a hub at the city. Can you explain what it means for an airline to hub out of the city? We didn't finance from this. I mean, we know that that's where the planes fly into and go out of their financial considerations with regard to a hub, and that's the piece that I'd like you to focus on, please. So that is outside the scope of what, at least I looked at in this project. So I would say that I'm not qualified to speak about the financial ramifications of a hub agreement. But this would be one of the benefits of entering into one. My understanding and maybe our city auditor could respond.

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Is that the financial there. A city will grant concessions to an airline for the airline to designate that city airport as a hub. So that the trade off, then would be community benefits coming back to the city that has the hub. So there's a give and take financially between the airline and the city involved, right? And I think that's what our research is showing here. We didn't get in depth into what it means to be a hub or what it costs to be a hub or you know what the benefits are on either side for the airline or for us. What we saw was that as we looked at these various airlines they were offering. You know these benefits, student color scholarships? Miles. Donations lots of nonprofit interaction because there was in their hub city, so I think we identified you know, and each airline has

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one or more hubs slash headquarters cities. That's where we saw these benefits. We aren't necessarily seeing these benefits in Austin, because we are not. Huh, bora headquarter city for any of these airlines, so I think if we were to investigate, potentially having Austin be a hub for an airline should we should we do that we would need to find out what are the financial trade offs there sufficient community benefit coming to the city? Yeah to, make up for whatever tax waivers or fee waivers or subsidies or just, ah! Financial support that the city would be giving to the airline to create the hub. Certainly not something that we looked into this and this request. My guess is that the aviation staff would have more insight onto that because they work on these kind of things regularly. Thank you. And then my last question went to the targeted hiring piece. The slide that that song, please. There was a red X for Austin in that

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box as well. And I wanted to, to get a little bit more information when you talk about targeted hiring. Are you talking about aviation staff? Are you talking about vendor staff? Are you talking about airline staff, which which hiring so that would apply specific. So how we determine targeted hiring was we looked at if the city slash aviation department had any sort of, hiring program that targeted specifically people of underrepresented backgrounds throughout the entire city or specifically people from who lived in the neighborhood like in the airports around the neighborhood itself. What kind of work for work with vendors or working as airport staff themselves, not necessarily for concessionary is not necessarily for airline carriers. So the choice of vendor the vendor selection, there was no target at looking for people or vendors who were under represented in different classes based upon the materials that were provided to

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us by the aviation department. We did not find any active program. Okay and our vendors do they do they contract directly with the aviation department, or is there are they subcontractors from a larger contract. I am not sure how that works. I would refer you to the aviation department or someone else knows my understanding is we have contracts with an overarching one or two large national concerns, who then subcontract for the vendors, and we had some issues with vendors and that's and who was selected and who wasn't selected. I think it was pre pandemic. Where, the list of who the vendors. We're going to be who got those concessions through sky sky chief or whatever the names that I can't chefs, and then there's one other there. We had to vote on the new vendor concessionaire lineup. But this would mean that the targeted hiring red X

[10:30:01 AM]

relates to sky shaft and Cisco or whomever the other large contractor is who then hires the vendors underneath. Is that correct? I'm I'm sorry. I'm not really familiar with that distinction. I still don't understand a little complicated and targeted hiring because I think there's a limit to who the aviation department is actually hiring. They're hiring their staff. They're not hiring the crew. The tarmac cruise like when, when your airlock your airplane is waiting for a gate and the crew hasn't come out because they're not ready yet. That's not aviation. That's the airlines crew, and they are hiring that. That person. We're not talking about the vendors concessions staff because those are subcontracted, so I'm still kind of at a loss to understand Dustin having a red mark, and so I would say that based on the materials we received, we looked at a variety of airports. JFK

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lax San Jose that had specific initiatives that were to hire people from underrepresented backgrounds, and we did not receive information from the aviation department about any sort of maybe agreement they would have with those larger contractors that you mentioned. But we just didn't find anything that, was similar in that way to those other airports. Okay I I'm going to leave that there. I'm not satisfied with that. Answer. Miss Stokes. I think there were some questions left on the table. With regard to aviation's response, potentially. It seems to me that the jurisdiction here for Austin may be missing. Or at least the framing for whether Austin aviation department actually has the jurisdiction to have a fully formed and robust policy for, diverse hiring like we do throughout the city of Austin, where we make great pains and go great great strides to ensure diversity and inclusion. So those are those

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are my concerns to the auditor about about the findings in this particular special report. Thank you. Chair. Thank you if we can take the slide down so I can see any colleagues council member tovo. Yeah I have a few questions. I want to highlight a couple related to real estate because we've been having kind of a robust conversation around that. It looks like the city auditor that you've identified. A couple issues that may need attention. One of them is. That there are two agreements that appear to have provisions. One is with Texas with the state of Texas one is with the national Guard. That may that they have, provisions exempting could exempt the tenants from compliance with the airports minimum standards. And it looks like the FAA has weighed in suggesting that some of the in

[10:33:06 AM]

kind in kind. Expenses may be low. So says there's also a finding that I'd like you to address that separates the city establishes least rates that are our responsibility under FAA regulations is to maximize revenue for the airport. Yet. It sounds as if the airports not on market studies anytime recently to determine to determine fair market value. And that the least rates charged by the city are were executed many of them more than 10 years ago, and the leases when they're updated, appear to be based historical rates rather than market rates. And so you know, I want to hide like this colleagues because we've we've multiple times over the last couple of years, talked about out changes and potentially the. The idea of having some updates to our real estate process, the airports a little bit of a different a different entity, but it seems like some of what our auditor has found. Is that these to meet

[10:34:08 AM]

some of it? I don't know if my colleagues want to if I should wait for my colleagues. Councilor and councilor point just Kathy's as you guys, okay? Anyway if our city auditor could please address the findings that relate to leases at the airport, suggesting that there may need to be changes there because our requirements under the FAA regulations is that we maximize revenue. So for charging under fair market value for those leases were out of compliance with federal law in addition to you know, potentially not the best stewardship of our public asset. So I think to curricula characterize that as what we found during this work. So one remember, it's not a finding. So we're not saying here's what you need to fix, or here's a recommendation to fix it. We do see this as an area that the airport needs to take

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some action in and I think they are. I think the main thing is that on for those two leases where we do, I think it's a dollar per acre where we have kind of a less than market value. Arrangement we also receive. We have other benefits that we received from those entities. So they do maintenance on the land and there so there are in the in the information that we saw between whether discussion between the airport and F a F a kind of said we're okay with that. But at some point you really need to look at. Are you getting as much so I would say it's not you know, completely under market. We know that we get some other benefits. We just haven't done the evaluation of what the land is worth and what the other benefits are worth. And how those add up to. Are we getting an okay deal on those, so it's just a clarification. There was a comment that was cited in the report that the in kind the in kind benefits. Appeared to be

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low that the FAA had made her yes statement. That is what they said. And that is why I'm kind that that there is a recognition that in kind benefits matter, too, but that appeared to be that they, the FAA had stated that those appeared to be low for one of the two tenants. Correct and I think that is why the airport has taken on, looking at that kind of in more death than doing the tallying of how much are we getting in? Kind? How much are we charging for millions. Thank you. And what? What is in your stations? The airport? What did they say? Their plans were for adjusting for those the other leases. I believe that the evaluation, fair market. I believe that the evaluation was covering all of the lease is not just those two. That kind of stand out. But the airport is here, monsieur after this here, and I also want to ask for you to very briefly

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because we do have to move to some other items as well. If you could, speak specifically to some of these issues that were raised in in this report that council refunds and I requested, specifically, the FAA follow up pieces, which relate to this in kind point that council member tovo. Is raising and then if you want to speak to any of the other elements, I would invite you to do that. Pro tem if I could also ask. Director yeah, to speak to the to the idea of the community benefit agreement and whether or not we have, the ability to negotiate one which I think would be I would like important especially to make sure that we have practices you know, to the extent that those can identify community goals and support community goals. I think it's very important that we pursue one so I'm not sure remember pool if I understood what you were saying to suggest that that we may not have jurisdiction over that, because we're not a hub for some of

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those airlines. But if director iaf could could talk to my ability of entering it, the community benefits that would be really useful. Thank you, councilor negative. I think that was one of the reasons that we were asking the questions was to understand what what those options are so certainly appreciate directory of speaking to those as well. Yes good morning. Council members. Thank you for your questions today and the auditor's office working the report. There is some of our answers, and I also have a couple of my staff members onto specifically speak to certain points on the audit. But in general, I just want to highlight the two leases that were mentioned specifically one with a 99 year lease that was conducted way before we took over and that was actually with the Texas National Guard. And in the second lease, one is also what the government contracts so those two leases that are exemption out of all the ones that were audited were specifically with government agencies, and it is a common

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practice for a lot of airports. With this type of agreement, I will have more capital who's our chief financial officer and revenue to speak to it out, as far as the community benefits also traces going to talk about how the agreements have today community benefits from department of our our leases. In general, I will talk specifically to the hub question . So for an airline to choose the city of Boston as a hub, that's a huge commitment from their corporate office, where they are into their planning for their business model to be into city and make that commitment from the financial as the staffing the maintenance of the crew. Housing so there's a lot actually that goes into but specifically ties to is the airport being used heavily as a connecting for that carrier to create the hub designation. So right now, Austin is not we only 15% of our about 15% or 20% recently. Passenger is connecting. The majority of our passengers are O and D, and we do not have any of the carrier's

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today that are hot designation of the designation below. That would be a focus city, which still to has mentioned that as a couple of times, and we are continuing to work with them, but also the commitment from the city in the airport. The match subjects such a hub announcement is the infrastructure and the gating and actually the passenger processing. That would increase our passenger footprint heavily, and we need to be ready for that commitment, which is part of what we're working. On an expansion, however, as far as the community engagement for the airlines, we do have a large list of what the airlines are actually doing and how they're participating in the community. It is not part of that reported did not come out. But we do have a and I'll have to speak to that quickly here about some of the airlines and what they're doing for the community. The other quick comment specifically on the targeted hiring, it's actually if you look at some airports in some airlines, would they do is they would go in and

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teach specific technical, job skills such as an aircraft mechanic or create such a, program into a school that's nearby. Where the graduates out of that program would work for the airlines. So that's kind of more of a targeted careering specifically with the airlines. But the rest of the concession or the airport hiring. We do that, and we hold joah fears twice a year. We go with the internships that we have with the U T actually on the master's level. Students, and we also do from the high school. Internships on jobs and education, how to get a job at the airport, and we work with them. So there's several several layers, but I think the excess specifically in that target hiring is working on the day do a training program that gets created by the airlines into some of the technical schools around so they can hire them back into their aircraft meetings, and so we do not have a large aircraft meeting pub either in the in the footprint of Austin, so that kind of doesn't match with what they have. But as far as the customer

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service and all that that's stuff that we work on so I'll let Tracy jump on to talk about the community benefits and our releases and agreements and then, sorry. Gotta catch them comfortable. Okay? All right. Go ahead, Katie. Tracey Thompson, chief officer, the administrative and external affairs for the department of aviation. So with the community benefits per se, as as and again it's a just a distinction. But the JFK and the L a X community benefits programs were part of their capital expansion program specifically, and so, we have similar community benefits programs as a part of our a D P as well, which is making sure that our our community is not impacted by our expansion program to the extent possible. So what? We're I think they go forward plan is with the establishment of the green team and our community engagement programs that are initiated at the beginning of 2023. I think that you will be the department of aviation will be able to demonstrate the community

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benefits not only related to the airport expansion program, but as our business and commercial team starts putting together their land use of program consultant program that was noted in the report that will be able to see how we can fold those into also our third party. Leases in developments as well. So again, the JFK and the L. A X community village program were related to expansion, but yet the nuances is taking it down into third party development agreements as well. And I apologize and go backwards a little bit just for clarification on council member for comment. I believe it's counselor falls to the land. And the as you know, we have the airport overlay zone. So we should note in one of those charts and forgive me. I'll look at where the chart is. And that was on the land use programs that you know, the city has its, airport overlay zone, which is in the development code section

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25.13. That's very, very prescriptive and specific regarding land uses around the airport, property and compatible development. That's in addition to our part 150 noise program that's currently monitored. We can go into details about that are can answer questions about that offline at another time, so I think that there are land programs and community benefit programs at the department of aviation currently has in place and will augment as we move forward with our land leasing policies that Mickey that is, you can speak to moving forward far leases. So that's kind of a general answer. I wanna be respectful of the time here, but we're pleased to provide more detailed information. On these, elements as a follower, and I placed the answer any other questions? Council member tovo. And then I think we need to hear from Mr Patel. Yeah super speedy one again. Just looking the auditor. It talks about the fact that the least rates many were

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executed more than 10 years ago. That doesn't necessarily that does not constitute noncompliance. But if the city charges low rate, it could impact the airport school to be self sustaining, and it talks about recommending the appraisal of your property aviation department. Has said that with the help of real estate, they are going to carry out a rent market study, which will help inform Vegas line ground rental rates, and I just wanted to ask airport staff is the best person to answer this. What is the timeline for conducting that appraisal, and when would the world be available? Yes council member tovo. My name is mookie Patel. I'm the chief of business and finance for the airport. That's a great question. Airports typically around the system around the network. And this is my fourth city, administered airport that I worked for. Typically land rental rate studies and appraisals. Holistic appraisals of airport property. You're done every five years, and that's a guidance from the FAA to continue to do fair market value evaluations. Most leases around

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the country have provisions in there that allow for adjustments to long term leases with fair market value assessments, and you do not have to charge the fair market value rate you can on a new development charge, a competitive rate or something higher. Than the baseline fair market value. Historically this airport and it goes back to the 2014 audit from the F a. That was referenced in the city audit departments referenced that, we were using historical rates, and that's another mechanism for doing that, we have commissioned we've been working more recently with the office of real estate here within the city. To look at land leases and look at rental rates moving forward. We are working on a commercial development plan. Utilization plan of the northeast quadrant of the airport. That sits around our maintenance facility and is

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looking at that holistically from conveyance that came from the military. All of the, environmental challenges that were conveyed to the airport remediation of those prior to development and you calculate those and you build those rates in to setting what is what's fair market value. And then what is the appreciated value of that land will be doing that. We've just kicked off that study for the commercial venues plan, and we probably will have that in about 8 to 12 months from now that will include not only each parcel of poverty and its highest and best use, aeronautical versus non aeronautical and if there is land that can be commercially developed well, look at all of those parcels with a rate structure. It will give guidance to the team on how to evaluate those forward in a matrix fashion. Going back to the two leases that you mentioned. Council member tovo on the, the National Guard lease, and, that

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text, at least both of those were memorandum of understanding when the airport was open, 20 two years ago. With relocating both of those units from Mueller airport out to Bergstrom. And so we, the FAA audit did also suggest that continued evaluation of those community benefits of the what we call the in kind services. Our value ted with the rental rate structure and I was just talking with our director yang this morning about real valuation all of those and taking another cursory review of Elvis leases to bring those into a level of standard that we have uncomfortable for the city. Thanks for that response. Please. Just to be very clear. Was this study done five years ago as recommended, or that's not been the practice here in Austin. It has not been the previous practice. We will be implementing that moving forward. Thank you very much.

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Thank you. And I think, as we move forward with this, if you can, you know, maybe plan in the new year to come back to us with some details on, how you're addressing the in kind issues how you're addressing the market study. And maybe with some options that we have, and I'm sure that council member Francis is going to want to look more detail about the community benefits agreements as we expand and what that can look like and how we do that, in the most constructive manner possible we will be investing billions of dollars, in this expansion and will have an impact on the community. And if they're models that we can be adopting, I think we want to definitely work with the airport. To advance those, so we'll plan on that we are now going to need to move on to the next item on our agenda, which is item four, which is a briefing on the city's pension systems. Sweeper.

[10:50:29 AM]

Good morning. There we go. Thanks. Good morning. I'm Belinda weaver. I'm the city treasurer. I should also mention that I am a trustee on both the police and fire system pension boards for the city. And I'm here today to provide the annual update for the city of Austin's pension plans. First the three of Austin does have three employee based pension plans that I'm sure you're aware of. It is the city of Austin's employees retirement system, the Austin police retirement system in the Austin firefighters relief and retirement fund. All three are defined benefit plans , and all three plans were created by state law statute does govern benefit and contribution provisions, and any changes to that law has to be made through the state legislature. Each of the pension systems. Do you have an independent board of trustees

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and each of those boards are or have a different composition of elected officials, management appointees, employees and retirees and on the employees and the police board? There are citizens at large trustees as well. Next slide, please. So as far as pensions system eligibility for the three systems, the employees retirement system is all full time employees with the city with the exception of civil service, police officers and firefighters, but it is including the ems employees, and there are two groups associated with the employees retirement system. Group a are those employees hired prior to January . 1st 2012 and group B. Are those employees hired on or after that date for the police retirement system. It's all commissioned law enforcement officers and cadets upon enrollment with the Austin police academy and again, with this system, there are now two groups. Group a are those employees hired before January

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1st of this year and group B. Are those employees harriers on or after that date? For the firefighters, relief and retirement benefits, all commissioned civil service in Texas state certified firefighters who are employed with the Austin fire department for at least six months of service next flight. Regarding the retirement eligibility for the three systems and the city of Austin employees retirement system has two groups as I mentioned a moment ago, group a and group B have different retirement eligibility provisions. Group a retirement eligibility is 20 years of service at age 55 23 years of service at any age and any number of years of service at age 62. And group B is 30 years of service at age 62 or five years of service at age 65. There is a five year vesting period for the employees system , Austin police retirement system has two groups as well. Grab a is a mirror of group a for the employee system. And

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group B is 25 years of service at age 50. Or any number of years of service at age 62. There is a 10 year vesting period for the police retirement system. For the firefighters relief and retirement fund its 10 years of service at age 50 or 25 years of service at any age, and there's a five year vesting period. For contribution rates for the three systems. These are as of December 31st 2021. I haven't broken out by both employee contribution and city contributions, and these are a percent of earnings. So for the employees system as of December , 31st the employee contribution was 8% and the city contribution was 19. I do have notated here that effective January 1st of 21 city contributions did voluntarily increase from 18% to 19% and I do want to also know Tate that by statute, city contributions for the employee system is at 8% so the city is

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currently contributing 11% more than statutory requirements. For the police retirement system again as of December. 31st 2021 the employee contribution with 13% and the city contribution was at 21.737. I have notations here as well that effective January 1st of this year. Employee contributions did increase from 13% to 15% that was an effect of the legislation that was passed in the 87th legislature, and additionally, the city contribution as of January, 1st of this year was determined by the adopted legislation as well, which is that actuarially determined contribution amount, which includes a 30 year amortization period of the unfunded, actuarial accrued liability, so that's approximated to be at about 25.52% of earnings for 2022. But this will continue to grow over the next couple of years due to phase them provisions that were included in

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the legislation. For the Austin firefighters relief from retirement, then employee contributions are at 18.7% and city contributions are at 22 point. Oh, five. Next slide. This just details the plan membership as of December 31st 2021 city of Austin employees retirement system, as always, is by far the largest of the three systems with almost 21,000 members. The Austin police retirement system almost 3000 and firefighters a little bit over 2100. So here we have key actuarial assumptions that were used in the city's pension plans missed recent actuarial valuations. We have inflation, investment return and payroll growth. The inflation rate is underlying annual inflation, and this rate is a component of several other actuarial assumptions. The investment return rate is the assumed rate that has two components, which is inflation that I just

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mentioned along with the real rate of return, and this investment return assumption does directly impact the plans, liability calculation and contribution requirements. The payroll growth assumption is varies by pension fund and is determined by historical experience along with projected future growth, and this assumption directly impacts the plants liability calculation as well. I do want to say that all of the listed actuarial assumptions here are consistent with the prior years, which would have been 20 twenties with the exception of the city of Austin's employees, retirement systems investment return that was lowered from 7% down to a more conservative 6.75% assumption. Please. So we're going to review the actuarial valuation calculations for the three systems. This is a five year history. This was a recommendation by council member alter and council member pool last year's wanting to look at a historical kind of context with

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these numbers, and there's a lot of information on this slide. I'm not going to go through all of it that the main areas to focus in on in my opinion, are the infected actuarial, accrued liability. The and the amortization period. The unfunded actuarial approved liability is essentially the difference between the pension plans. Actuarial accrued liability less their actuarial value of assets. So in simpler terms, it's the amount of benefits accrued in which no funding has been set aside. And when an unfunded liability does exist, which is generally the case. The actuary determines the number of years or the amortization period it takes to fund that unfunded liability. And what I'm really going to focus in on is the amortization period here, and that's primarily due to the fact that this number is a main focus for the financial position of pension systems. It's also a main focus of the pension review board. And as you can see here for the employees retirement system, there was an increase

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from 2018 to 2019 for the amortization period increased from 32 years to 40 years, and that was directly as a result of an experience study that was conducted by the systems actuary in which more conservative assumptions were recommended and adopted by the board. And that ultimately increase the unfunded actuarial accrued liability as well as the amortization period. And although the amortization period has come down from 2019, and this is directly as a result of the increased contributions from the city that I mentioned along with them good investment return years and it's still in excess of 30 years, which is kind of a prb threshold. And all of this is kind of being discussed to preface the fact that the system in the city have been very proactive and have been working together for the last couple of years towards legislation to go forth in the 88th legislature to ensure the long term sustainability of the system along with to enact a

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more flexible contribution model. And I actually have a slight later in the presentation to detail that proposed legislation. Please. Say I am. This is the Austin police retirement system. Actuarial valuation calculation. Five year look back, similar to the employees system. There was an experience study that was conducted in 2018, with much more of a significant impact as you can see the amortization period for the Austin police retirement system went from 35 years to an infinite amortization period. And what an infinite amortization period means essentially is that there is no amount of time that would ever pay off the unfunded, actuarial approved liability. And this experience study that was conducted by the system's new actuary at the time they hired on a new actuary in 2017, and that new actuary conducted the experience study in 2018, and the actually did recommend several assumption changes to

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their actuarial valuations that included lowering the assumed investment return. Lowering the payroll growth assumption, along with adoption of a new mortality table with generational improvement just to name a few, and there's assumption changes significantly impacted the financial standing of the retirement system, as you can see. You can also see from this table that from 2019 today or two, I say today 2021 valuation that the infinite amortization period has come down significantly. It's come from infinite to 30 year amortization period, and this was directly as a result of the appears legislation that was passed in the 87th legislature. We did discuss kind of the main points of this in last year's meeting, but I do have a slide that will go over that as well. And this legislation significantly improved the financial position of the system. Great. This is the Austin firefighters, relief and retirement fund actuarial valuation calculation over the

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last five years and fire has historically been the best performing of the three systems per actuarial valuations. As you can see here, the amortization period ranges from 17 to 23 years and they're funded ratio has always been in the high 80. Right? Here we go. So this is the investment returns for the three systems year to date as of December 31st 2021, as you can see, all three of the systems had great returns. You've got employees right at about 13% police at almost 17.7 and firefighters at right at 17.6% returns. 4 2021. I will kind of preface this conversation with this year's returns are not expected to be anywhere near as rosy as there's depicted for 2021. In fact, it is expected that probably all three of the systems will have negative returns, and it's just function of the market that we're in right now. So the investment

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returns also, list of three year five year and 10 year returns. These are all weighted average returns. And I stayed every year when we show this table that there's really two takeaways, and the first is, although it's important to monitor these portfolios on the short term, we shouldn't leave cited the fact that these pension funds are long term investors. And then, additionally is that all of these portfolios go through cycles performing really well at times, as they did in 2021. And then at other times, lagging their peers or benchmarks, but this is why all three systems have the five year smoothing in place for their investment returns. It's to temper that some of that market volatility. So as I mentioned earlier, the approved Austin police retirement system legislation. This was health house bill 43 68 in the 87th legislature and some of those major provisions that were a part of this legislation included in newer, lower benefit

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to your for those officers hired on or after January 1st 2022. Member contribution increases implementation of an actuarially determined contribution funding model city contribution increases governance changes to help balance out the risk. There was one active member seat that was replaced with one citizen appointed seat that city council appointed this year. And removal of all benefit enhancement capabilities of the board. And also, as I mentioned earlier, the employees retirement system. This is the proposed legislation that is set to go forth in the 88th legislature, and this is going to look very familiar. It's almost identical to the Austin police retirement system legislation with a few small, nuanced differences. A second lower benefits here is not in this proposed legislation because a second benefit here was already created back in 2012. The king components of this legislation again.

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Increased member contributions. Implementation of that actuarially determined contribution funding model and carving out the legacy liability and putting it on a 30 year. Payoff city contribution increases

governance changes, and on a final note. I would like to mention that this proposed legislation was presented to the pension review boards actuarial committee just earlier this month. By the employees retirement system executive director Chris Hansen and myself. And the prb looked very favorably upon the city and the employee system collaborative collaborative approach to this legislation and noted that it's exactly what they were hoping for plants and plant sponsors to work together. And that concludes my presentation. Thank you questions. Thank you, miss weaver. The audit and finance committee has been working closely with our treasure and our and our chief financial officer, too. Before word various stages with securing our

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pension. Various pensions, and I'm glad to hear the latest news on the course. Pensions so that's great and look forward as we moved that forward through the legislative session. In the spring so that we can make sure that that that pension is secure . So thank you. Any comments, colleagues? I want to also acknowledge the service of council member tovo on the a. P. R S and council member pool on the course board and I think the mayor is on fire the fire board as well. So any no more questions. Okay great. Well thank you for that report. I think that's important. I just wanted to thank, I just wanted to thank you, Linda for her service and also for her presentation. Thank you. Thank you, councilor tovo. Okay. Thank you. Next up is the item number five. The city auditors. Integrity unit report, please. Mr Marley. Good morning, Brian,

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really on the chief investigations at the office of the city auditor. Thank you very much for your attention this morning. I'll be presenting the activities of the integrity unit for fiscal year 2022 from the office of the city alter. Quick summary of our agenda. I'll go over allegation trends that we saw in fiscal year 22. Then I'll discuss the investigations we completed this year. Then I'll focus on our ongoing investigations and then provide some insights and what we plan to do in fiscal year 23. So allegations for this year. It's been a very busy year. We had 301 allegations come in. This is a 24% increase from the previous year. You guys can remember when I was back here in June, I was projecting a pretty busy year around 278 allegations and actually the rate increase through the rest of the year. This puts us back in line with what we saw pre pandemic so I don't think we have any concerns that the numbers are going up? It's just that the city is getting back into more in our office operations. People have more opportunities to see red flags and report concerns to our office. So we're hitting that

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fiscal year 18 level. And then as a breakdown of what's coming in, and those allegations were pretty consistent. About one third of the allegations are fraud, waste and abuse. That's the jurisdiction of my team, and two thirds are other issues. The two biggest issues outside of jurisdiction have been consistent for several years now, and that's hr related issues that made about 30% of the allegations that came in. It's a little bit of a dip from last year, the next biggest group, our department operational issues that came in at 16. That's a little bit of an increase from last year, so those sort of just traded a couple of percentage points as far as the core of our function. What we investigate. The most common allegations that came in this year. We're conflict of interest with 28, then theft, which includes time chief theft , inventory, theft or cash. That was the next most common and then below that was abuse, misuse and waste. And those are the items that you might team most busy. More information about the allegations that came in 58% of our reporters chose to be anonymous. And that lines perfectly with best practices.

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What you hear in the fraud examination community that if you want to hear about fraud, waste abuse and red flags, you got to give people a chance to report anonymously or they'll just be too scared to report and our reporters take advantage of that rate of 58. The other thing you have to do if you want to hear about these red flags make it very easy to report gives people a lot of different ways that they can report your office and we do that the one that seems to be the favorite by far for our reporters, is our online reporting form 64% of our informants, reporters choose to use that the next most common I'm pretty proud of. This is a direct investor investigator contact. There can be a phone call or an email directly to the investigator. That usually means that the reporter here has some familiar with our office and has built up some trust with the investigators. And so they don't mind actually not being anonymous, and they just want to have a conversation with our investigators directly to get their concerns heard. And the third most common was ever whistleblower hotline. So that's a phone number of people call and they can call that anonymously. Looking at the allegations by department. This represents the departments that

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had the largest share of the allegations that came in Austin energy was the highest of 14 and then jumping down that list to Austin water and awesome police . They had seven and six. Those are true the larger departments in the city so it makes sense that they'd have a larger percentage of allegations that come into my team. And then in the middle, there was parks and recreation. That was a couple of percentage points uptick from previous years and then also, city officials were also at 11% now that's more than just mayor and council. That's also all the boarding commission members. So it's a much larger group of people than might see here today. And there was a trend in that group 10 out of 16 allegations that area we're focused on the animal advisory commission. It appears that there is a perception of conflict of interest and lobbying concerns that have come into our office. We have

substantiated any violation of city code when we've looked into these issues, but that does seem to explain why that's been an uptick for this year. As far as parks and recreation. It was pretty diverse group of allegations involving different departments so nothing really to where you can look at like we

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had with the city officials group. Moving anti investigations were completed in 22. We completed nine total investigations, seven of which were substantiated and produced public reports. One was inconclusive and one of the most unsubstantiated. When we get those two outcomes, we document what we did what we found, and we share that with the relevant departments so their leadership can take any steps that they deem necessary based on that information. When we publish a report, we also share that with the department. But then we also place it online for anyone who has any interest in reading it and seeing what the findings are. Focusing in on those seven public reports. The most interesting information here what I'd like to, to direct everyone's attention towards the accountability action for all seven reports, the relevant department agreed with our findings and took accountability, action and actually, in the majority of cases. It was pretty, severe accountability action with employee separation from the city. Moving on to the ongoing investigations. We currently have 12 open investigations there across nine departments and they hit those big issues I

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talked about before that are coming into our office with theft, fraud, conflict of interest, misuse and waste. Now moving on to fiscal year. 22 were already in. We learn a lot about how to do our job from the fraud, waste and abuse community how to figure out best practices. How to hear about these concerns, and we try to give back to the community you by sharing the information. We learn over the course of our investigations and the skills we've developed, so we would like to present we like to write articles so far this year we've already presented one training at a national summit, and we've also had a one article from my team published in a national publication. We plan on applying for more presentations and drafting more articles. We try to connect with the city to help build a more ethical environment. We do so by joining the city supervisor academy and helping the law department present the ethics focus training for all new city supervisors. We do that about a half dozen times a year and then we also work with the audit side of our shop with their risk and fraud assessment. So any sort of, audit presentation you guys might see earlier on the process. We help that audit team

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work on what risk and fraud should be considered in their audit planning. For the rest of fiscal year. 23 we think it will be very productive year with those 12 open investigations, so we think we'll have more

completed than we had this year and to help us handle all that workload. We're actually adding one full time investigator currently the teams that five so hopefully we'll be up to six shortly. We're going to start interviewing soon and then on a more personal note in that team of five. We're also adding three newborns in fiscal year 23 I still planning on being a very productive year. It just might be also a tired one at times as well. That concludes my presentation. That's some ways in case anyone in this room has concerns about fraud, waste abuse. They can reach out to my team, but I'm happy to take any questions. You all may have. Thank you very much appreciate the integrity unit's work colleagues and any questions or comments. Okay thank you. Thank you very much. Appreciate the work that you're units doing. Okay the last item is item six,

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which is to discuss items at future meetings. As previously discussed, we'll be having the emergency shelters. I think we call it emergency shelters for dangerous temperatures, I think is the full name of the audit. That will be coming to the December meeting. Believably also discussed you must billion and the, office the chief medical officer items coming to that meeting. Those are so those are tentative as items and other than that, that's all I'm aware of. And I wanted to also let folks know that the independent evaluation of Austin water will be coming to us at our January meeting. I believe that's I want to say it's January 18. When we went through the schedule, it was apparent that Austin water was going to need more than the very few days to be able to respond effectively to the steps that they were going to take. In response to the evaluation, and

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we wanted to really make sure that that was successful. And we also had put into the original, request certain reporting requirements in terms of timing and moving this to the January meeting will allow that to happen. We are in the process of recruiting our Austin water director. The finalists will have an opportunity. It's my understanding to review the report. But that, this also meant that we weren't introducing the report midway through the initial interviews where some folks would have access in some would not. So we felt like this really sets this project up to be successful and helpful for Austin water moving forward. So for the four of us who are staying on the committee, please make sure that you are planning to be in attendance for that, January meeting. The date should already be on your calendar for that. Are there any other topics that folks want to raise now? For future meetings, firefighters. Thank you. Chair

[11:16:04 AM]

alter. I will say I am pleasantly surprised at this. The Austin water audit is coming to us so quickly. I expressed initially my reservations about the process and concerns about it being able to come back within the time needed, so I'm thrilled to hear that we can expect the presentation in January. Thank you and I do want to underscore one other one other element of that, which I've been impressed with is that the way which Austin water is leaning in to the benefits of this report for their next steps ? That is not always the case when we do an outside the valuation or an audit. And so that is that is important. Finally want to call my colleagues attention to the police executive research forum report that came back with respect to the sexual assault. Process. It's my understanding that staff have 45 days per direction in January to get back to us. With some recommendations on how they're going to perceive

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we may have a presentation of that report in the new year, but I wanted to give them the chance to be able to report back what they're going to. To do with wrote the report at that point, and we have a pretty jam packed upcoming set of agendas, but I do want to flag that, whether that technically comes back to audit and finance or public safety will have to. We'll have to figure out appropriate or if we do a joint meeting or we do it as a as a full council body, will determine that in the future, but I know at least one of you was asking me about that so warmed up to fight that. Anything else that we need to raise? Great well, thank you, council member tovo. I think this is your I guess you're gonna run my life. You have one more audit finance meetings, so we won't. We won't say say goodbye to you yet on this committee, but you have served on this for a long time. Happy Thanksgiving, everybody. I was just saying all of my terms have been on audit and financing

[11:18:06 AM]

anyway. But also the next time you have been quite a long time, then. All right, great. Well, thank you, everyone happy Thanksgiving, and with that I am going to adjourn the audit and finance committee meeting at 11 18.