TO: **Mayor and Council**

FROM: **Bert Lumbreras, Assistant City Manager**

DATE: **November 5, 2008**

SUBJECT: **Item #10- Interlocal between City and Healthcare District**

On the November 6th Council agenda, there is an item to approve negotiation and execution of a renewal and eighth amendment of the City of Austin's interlocal agreement with the Travis County Healthcare District.

This item will be postponed to a future Council meeting because the County Attorney that represents the District had notified staff late Tuesday and requested additional time to review the amendment to the interlocal. Although the County Attorney has stated that they will try to review the document and get back with City staff by end of today, we feel it would be best to postpone the item.

The item itself requests authority to negotiate and execute an Eighth Renewal and Amendment to the interlocal agreement for a five-month term so that the City can continue providing services and the District can continue making monthly service payments to the City through February 28, 2009, the anticipated transfer date. The renewal and amendment obligates the District to make monthly payments to City of $2,509,142.80, for a total contract amount of $12,545,714.00. This amendment also addresses the addition of up to 21 FTEs to the Community Care Services Department during this five-month term, and commits the parties to execute any documents needed to finalize the transfer of Community Care Services Department employees to the District, or to a 501c3 corporation affiliated with the District, by February 28, 2009.

If you have any questions, please let me know.

Cc: Marc A. Ott, City Manager
David Vliet, CEO, Community Care Services