

Closed Caption Log, Council Meeting, 09/13/04

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AT THIS TIME I WILL CALL TO ORDER THIS SPECIAL CALLED MEETING OF THE AUSTIN CITY COUNCIL. IT IS MONDAY, SEPTEMBER 13th, 2004, APPROXIMATELY 10:15 A.M., WE ARE IN THE THIRD FLOOR THANK ROOM OF ONE TEXAS CENTER, 505 BARTON SPRINGS ROAD HERE IN AUSTIN. THIS OF COURSE IS OUR ANNUAL BUDGET APPROVING PROCESS. AND -- AND I WOULD JUST LIKE TO QUICKLY -- A QUICK INTRODUCTION AND SAY THAT SEEMINGLY SINCE 2001 WE TALK ABOUT THE CITY'S BUDGET ON A VIRTUALLY NON-STOP BASIS. YOU KNOW, HISTORICALLY, WE USED TO TAKE THE MONTH OF AUGUST TO ADDRESS OUR ANNUAL BUDGET, THE CITY MANAGERS WOULD BRING FORWARD A PROPOSED DRAFT BUDGET AT THE END OF JULY. WE AS A COUNCIL AND THE PUBLIC WOULD DEBATE THEM IN AUGUST AND APPROVE THEM IN EARLY TO MID SEPTEMBER. REALLY SINCE THE DOWNTURN IN THE ECONOMY THAT WE FELT LOCALLY IN 2001, REALLY RIGHT AFTER WE HAD APPROVED A RELATIVELY LARGE BUDGET THAT YEAR, SEEMINGLY WE AS A COUNCIL AND CERTAINLY THE CITY MANAGER'S OFFICE TALKS ABOUT AND DEALS WITH THE ANNUAL BUDGET THROUGHOUT THE YEAR. WITH THAT IN MIND, AS WE GO THROUGH THIS APPROVAL PROCESS, YOU KNOW, PLEASE KNOW THAT ALTHOUGH THESE BUDGET APPROVAL HEARINGS PERHAPS DON'T TAKE LONG AND THIS CASE PERHAPS WON'T TAKE THREE DAYS, KNOW THAT THIS CITY MANAGER'S OFFICE AND THESE COUNCILMEMBERS AND MYSELF IN OUR OFFICES HAVE BEEN DEALING WITH THIS PROPOSED BUDGET NOW FOR A VERY LONG TIME. AND IN

FACT WHEN THE CITY MANAGER DELIVERED HER PROPOSED BUDGET IN LATE JULY, WE AS A COUNCIL HAD VIRTUALLY SIX MONTHS OF NON-STOP POLICY INPUT TO HER FOR THAT. WE HAVE A NUMBER OF ITEMS POSTED ON THIS AGENDA. TECHNICALLY THE -- THERE ARE 21 ITEMS AS WELL AS AN AHFC, AUSTIN HOUSING AND FINANCE CORPORATION ITEM. AT THIS TIME I WILL READ THE COUPLE OF CHANGES AND CORRECTIONS TO THIS AGENDA AND THEN WE'LL START WALKING THROUGH OUR MOTIONS. WE WILL, OF COURSE, START BY TAKING A MOTION ON THE OVERALL BUDGET AND THEN GO THROUGH OUR PROCESS OF AMENDING OF THOSE AS WE HAVE SPECIFIC ITEMS COME BEFORE COUNCIL. THE TWO CHANGES AND CORRECTIONS TO THIS MORNING'S POSTED AGENDA ON ITEM NO. 18, WHICH IS AN INTERLOCAL AGREEMENT WITH CAPITAL METRO, THE FIGURE NOT TO EXCEED \$100,000 SHOULD BE STRUCK AND INCREASED TO NOT TO EXCEED \$110,000. IN BOTH INSTANCES. THEREFORE THE TOTAL NOT TO EXCEED, WE WILL STRIKE THE NUMBER 500,000 AND INCREASE THAT TO 550,000. TEMPT NUMBER 20 INSERT A NOTATION IN AN AMOUNT NOT TO EXCEED \$10,700,000. AGAIN, THIS IS AN ITEM RELATED TO THE INTERLOCAL AGREEMENT WITH NEW TRAVIS COUNTY HOSPITAL DISTRICT FOR THE TRANSFER OF CERTAIN FUNDS, CONTRACTS, RECORDS, PIECES OF REAL ESTATE, AND AGAIN THAT -- THAT NOTATION NEEDS TO BE IN AN AMOUNT NOT TO EXCEED \$10,700,000. AT THE BOTTOM OF THE SUMMARY OF THIS ITEM NO. 20, WE SHOULD CHANGE THE NOTATION TO NOW READ: PAYMENT FROM CITY INTERLOCAL AGREEMENT, WITH TRAVIS COUNTY HOSPITAL DISTRICT, FROM THE FISCAL YEAR '03-'04 COMMUNITY CARE SERVICES FUND ENDING BALANCE FROM EXCESS FISCAL YEAR '03-'04 GENERAL FUND REVENUES AND FROM THE FISCAL YEAR '03-'04 GENERAL FUND UNDESIGNATED ENDING BALANCE. A FISCAL NOTE IS ATTACHED. ITEM NO. 20 RELATED TO THE NEW INTERLOCAL AGREEMENT WITH THE NEW TRAVIS COUNTY HOSPITAL DISTRICT. SO, COUNCIL, I BELIEVE WE HAVE IN FRONT OF YOU A SCRIPT ESSENTIALLY, THAT IS A MOTION SHEET FOR US TO WALK THROUGH ALL OF THE INDIVIDUAL ITEMS OF APPROVAL AS PART OF THE OVERALL BUDGET. BUT BEFORE I ENTERTAIN A MOTION, I WOULD LIKE TO ASK THE CITY MANAGER TO PERHAPS INTRODUCE THE BUDGET, REMIND US OF HER APPROACH AS HER AND HER

STAFF CAME FORWARD WITH THIS DRAFT BUDGET IN LATE JULY. AND THEN WE'LL TAKE A MOTION AND START THE APPROVAL PROCESS. CITY MANAGER?

Futrell: WELL, I THINK, MAYOR, YOU REALLY HAVE SUMMED IT UP. THIS IS THE FOURTH YEAR, TOUGH BUDGET YEAR, BUT IT'S OUR THIRD BUDGET OF CUTS. THE VALUES THAT WE STARTED IN 2001 HAVE REMAINED THE SAME. AND WE'VE HAD THREE PRIMARY VALUES: WE WENT FIRST TO REDUCE OUR EXPENDITURES BEFORE WE WENT TO REVENUE. WE LOOKED FOR NEW SERVICE DELIVERY MODELS, AND WE TRIED WHEREVER POSSIBLE TO INNOVATE WITH OUR SERVICE DELIVERY MODELS. WE ALSO TRIED JUST PLAIN TO THINK DIFFERENTLY ABOUT SERVICES. SO WE TRIED VERY HARD TO HOLD AND STAY CLOSE AND DID STAY AT THE EFFECTIVE TAX RATE AND THEN WHEREVER POSSIBLE IN THE REDUCTIONS TO BE AS INNOVATIVE AS POSSIBLE TO HOLD DIRECT SERVICES AS HARMLESS AS POSSIBLE. AND OUR THIRD VALUE IS ALL THE WAY THROUGH OUR CUTS, WE WENT FIRST TO ADMINISTRATIVE AND MANAGEMENT CUTS BEFORE WE WENT TO DIRECT SERVICE TO TRY IN EVERY WAY POSSIBLE TO HOLD THE DIRECT SERVICE TO CITIZENS AS HARMLESS AS POSSIBLE. THIS WAS AN EASIER BUDGET YEAR FOR US. OUR REVENUE STREAM HAS GUN AN UP-- HAS BEGUN AN UPTICK. BECAUSE OF THAT OUR CUTS WERE NOT AS SEVERE AS WHEN WE BEGAN THIS BUDGET. WE BEGAN THINKING OF OVER 20 MILLION OF CUTS, THIS BUDGET HAS ABOUT 11 PLUS MILLION OF CUTS IN IT. SO OVERALL THE GAP WAS CLOSED THIS YEAR WITH ABOUT 45% NEW REVENUE, ABOUT 55% EXPENDITURE CUTS. SO I HOPE THIS IS THE LAST OF A REALLY TOUGH BUDGET YEARS AS WE CLEARLY ARE SEEING SIGNS OF AN UPTICK IN OUR ECONOMY AND AS YOU HAVE SAID WE HAVE BEEN WORKING YEAR ROUND ON THIS BUDGET AND THE COUNCIL HAS BEEN ACTIVELY INVOLVED IN THIS BUDGET ON A POLICY SIDE SINCE JANUARY. AND HERE WE ARE TODAY, READY TO TAKE ACTION.

THANK YOU, CITY MANAGER. ANY -- COUNCIL, ANY COMMENTS BEFORE WE -- BEFORE WE START TO ENTERTAIN MOTIONS? COUNCILMEMBER SLUSHER?

Slusher: YES, MAYOR, I WOULD LIKE TO MAKE A MOTION

FIRST SAYING I AGREE WITH YOU AND THE CITY MANAGER, IT'S ACCURATE THAT WE HAVE BEEN WORKING ON THIS FOR A LONG TIME. THE -- IT'S REALLY PART OF THIS BUDGET TODAY IS REALLY PART OF A THREE-YEAR OR FOUR-YEAR PROCESS. HOPING THAT WE ARE -- WE HAVE SEEN THE WORST OF THE DOWNTURN AND THAT'S REFLECTED TO A CERTAIN EXTENT IN HERE. BUT I KNOW THE MANAGEMENT HAS WORKED ON THIS NIGHT AFTER NIGHT. I KNOW THE MANAGER HAS BEEN OUT AND MET WITH HUNDREDS IF NOT THOUSANDS OF EMPLOYEES, TAKEN INPUT ABOUT THE BUDGET. I THINK THAT IT IS A GOOD BUDGET. AND I THINK ANYTHING WE NEED FURTHER TO WORK OUT ON IT WE WOULD DO HERE TODAY SO I WOULD MOVE TO APPROVE IT ON ALL THREE READINGS.

MOTION MADE BY COUNCILMEMBER SLUSHER. SECONDED BY COUNCILMEMBER ALVAREZ TO APPROVE WHAT WE SHOW AS ITEM NO. ONE, OUR OPERATING BUDGET. THIS IS OUR MAIN MOTION ON ALL THREE READINGS. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED?

Slusher: DIDN'T WE HAVE SOME AMENDMENTS?

BACKING UP A LITTLE BIT, WHAT WE DO NOW IS OPERATING BUDGET. WE WILL GO THROUGH AS MANY AS EIGHT INDIVIDUAL AMENDMENTS OR CLARIFICATIONS TO THAT BUDGET. WE WILL THEN TAKE UP ITEM NO. 2, WHICH IS OUR CAPITAL BUDGET. WE WILL THEN GO TO ITEMS 3 AND 4 RELATED TO THE AD VALOREM TAX RATE, ITEMS 5 -- 5 RELATES TO FINES, FEES, OTHERS, WE WILL JUST WALK OUR WAY THROUGH THE OTHER ASPECTS, CIVIL SERVICE, ACVB, AUSTIN HOUSING AND FINANCE CORPORATION, THE REST OF THIS BUDGET. SO WE HAVE A -- WE NOW HAVE A MOTION -- RUDY OR JOHN -- WAVE MOTION AN A SECOND ON THE -- WE'VE A MOTION AND A SECOND TO APPROVE THE MAIN MOTION, ADOPT THE OPERATING BUDGET AS PROPOSED INCLUDING THE ERRATA ON ALL THREE READINGS.

THAT'S CORRECT, MAYOR. NOW WE WOULD GO INTO THE AMENDMENTS TO THAT MAIN MOTION.

Futrell: CAN THESE --

Mayor Wynn: DID I MISSTEP BY HAVING A VOTE.

SHOULD WE HOLD THE VOTE UNTIL WE GO THROUGH THE AMENDMENTS?

Futrell: YOU COULD HAVE DONE IT EITHER WAY. WHAT YOU CAN DO NOW IS GO TO THE AMENDMENTS AND THEN COME BACK TO THE MAIN MOTION AND AMEND IT. IT'S ONE WAY OR THE OTHER. IT'S FINE TO DO IT THIS WAY. YOU HAVE STARTED WITH YOUR BASE BUDGET AND NOW YOU ARE MOVING THROUGH YOUR AMENDMENTS. SO WHAT YOU WILL DO AT THE END OF EACH OF THESE IS COME BACK AND AMEND.

Slusher: DO WE VOTE ON IT ONE MORE TIME AT THE END.

Futrell: THAT'S WHAT HAPPENS. YOU WILL COME BACK TO THE MAIN MOTION TO AMEND.

WE CAN CONSIDER ALL OF THE AMENDMENTS AT ONE TIME.

Mayor Wynn: WE COULD. I THINK WE NEED TO WALK THROUGH THESE. AS PART OF THE DISCUSSION, LEADS MOVE TO THE 8 ITEMS WHICH ARE POSTED AS AMENDMENTS FOR THIS GENERAL FUND REVENUE EXPENDITURES AND THE F.T.E.S FOR OPERATING REQUIREMENTS OF THIS OPERATING BUDGET. ITEM NO. 1, IS TO AMEND THE PROPOSED BUDGET BY DECREASING THE PROPERTY TAX REVENUE IN THE AMOUNT OF 832,939. THIS REDUCTION REPRESENTS AN INCREASE IN PROPERTY TAX RATES SHIFTED OUT FOR THE HOSPITAL DISTRICT FROM 6.18 CENTS TO 6.35 CENTS. IF I COULD HAVE A -- PERHAPS A BRIEF STAFF SUMMARY OF THAT.

MAYOR, WHAT WE WILL DO FOR EACH ONE OF THE ITEMS IS GIVE YOU A SHORT DESCRIPTION OF EACH ITEM AND -- AND, JOHN, ARE YOU GOING TO TAKE THIS? RUDY, WHO IS GOING

TO TAKE THIS ONE?

I'LL TAKE THIS ONE, CITY MANAGER. THIS, MAYOR AS YOU READ, WE INITIALLY IN THE -- AS YOU READ, WE INITIALLY IN THE PROPOSED BUDGET ESTIMATED THAT THE TAX RATE REDUCTION AS REQUIRED UNDER CHAPTER 281 OF THE TEXAS HEALTH AND SAFETY CODE, THE TAX RATE REDUCTION FOR THE CITY WOULD BE 6.18 CENTS. SINCE THAT TIME, WE HAVE GONE THROUGH A PROCESS OF NEGOTIATION AND HAVE ADDED A COUPLE OF ITEMS OF EXPENDITURE ON THE CITY'S TAX RATE THAT CHANGE IT FROM 6.18 TO 6.35. SO THAT IS THE TAX RATE THAT THE -- THE FINAL TAX RATE. THERE IS STILL, AS YOU KNOW, AN AUDIT THAT'S GOING ON, WE EXPECT IT TO CONCLUDE SOON. I'M NOT AWARE OF ANYTHING IN THE AUDIT THOUSAND THAT WOULD CHANGE THE -- NOW THAT WOULD CHANGE THE RATE. AT THIS POINT WE WOULD PROPOSE THE REDUCTION AT 6.35.

Mayor Wynn: THANK YOU, MR. STEVENS. PERHAPS I SHOULD ALSO BACK UP. AS PART OF OUR MAIN MOTION, THAT IS THE ADOPTION OF THE OPERATING BUDGET, WHAT WE ARE COULDING IS ADOPTING THE -- DOING IS ADOPTING THE PROPOSED EFFECTIVE TAX RATE FOR THIS COMING YEAR. THAT EFFECTIVE TAX RATE IS 0.5065 PER \$100 IN VALUATION. TECHNICALLY, THE WAY THE -- THE MATHEMATICAL FORMULA WORKS ON EFFECTIVE TAX RATE, THAT IS AN INCREASE FROM WHERE WE WERE THIS PAST YEAR AT 0.4928. WHAT WE HAVE DONE IN THE PROPOSED OPERATING BUDGET IS ADOPTING THE EFFECTIVE TAX RATE AND NOW WITH THIS FIRST AMENDMENT WE ARE ACTUALLY NOW GOING TO REDUCE THAT BECAUSE OF THE REQUIREMENT BASED ON THE VOTER APPROVED TRAVIS COUNTY HOSPITAL DISTRICT. SO WE HAVE A SUMMARY OF AMENDMENT NUMBER 1 BY STAFF. I'LL ENTERTAIN A MOTION.

Goodman: SO MOVED.

SECOND.

Mayor Wynn: MOTION MADE BY MAYOR PRO TEM, SECONDED BY COUNCILMEMBER SLUSHER TO ADOPT AMENDMENT NUMBER 1, WHICH IS THE REDUCTION OF THE PROPERTY

TAX RATE OF 6.35 CENTS.

Futrell: ACTUALLY, MAYOR, BECAUSE THERE'S GOING TO BE A SECOND ITEM THAT ACTUALLY DOES THE TAX RATE, THIS ONE AMENDS THE PROPOSED BUDGET BY DECREASING THE PROPERTY TAX REVENUE IN THE AMOUNT. THERE WILL BE A SEPARATE ITEM FOR THE ACTUAL RATE. BUT THAT IS THE AMENDMENT.

THANK YOU.

Mayor Wynn: COMMENTS ON THIS AMENDMENT? JUST FOR CLARIFICATION, MR. SMITH AND GARZA, SHOULD WE GO AHEAD AND VOTE ON EACH OF THESE AMENDMENTS NOW AND THEN ROLL THEM INTO THE MAIN MOTION OR WITHOUT OBJECTION JUST CONTINUE THROUGH THE --

I THINK YOU CAN TAKE THEM SEPARATELY OR ALL AT ONCE. IT MIGHT BE CLEARER IF YOU DO THEM SEPARATELY DEPENDING ON HOW THE VOTE GOES.

Goodman: MAYOR, LET ME TRY THIS. ALTHOUGH -- NO, NEVER MIND. I THINK COUNCILMEMBER DUNKERLY SHOULD MAKE ONE OF THESE MOTIONS AND SO I HAD A THOUGHT FOR BOTH OF THEM, BUT I'LL WITHDRAW MY THOUGHT.

COUNCIL, WITH THAT OBJECTION WHY DON'T WE JUST GO THROUGH THESE POTENTIAL AMENDMENTS, MAKE SURE THAT THERE'S A -- THERE'S A MAKER AND A SECOND FOR EACH OF THESE AMENDMENTS. WITHOUT OBJECTION, THEN WE'LL GET DOWN TO THE BOTTOM AND VOTE COLLECTIVELY ON ALL OF THEM. SO POTENTIAL AMENDMENT NUMBER 2, IS TO AMEND THE PROPOSED BUDGET BY INCREASING SALES TAX REVENUE IN THE AMOUNT OF 1,010 [INDISCERNIBLE] AS A RESULT OF CURRENT YEAR ESTIMATE INCREASES, MR. GARZA.

MAYOR AND COUNCIL, WHEN WE SUBMITTED THE PROPOSED BUDGET WE INCLUDED A GROWTH ESTIMATE FOR FISCAL YEAR 2005 OF 5%. AT THAT TIME THAT WAS BASED ON CURRENT YEAR REVENUES AT A GROWTH RATE OF 5.8%. SINCE THEN WE HAVE RECEIVED ADDITIONAL ACTUAL PAYMENTS AND HAVE INCREASED OUR CURRENT

YEAR ESTIMATE TO 6.7. THAT RESULTS IN AN INCREASE OF OUR BASE, WHICH MAINTAINING 5% RESULTS IN A 4,007 34DZ IN ADDITIONAL TAX REVENUE. COMMENTS OR QUESTIONS ON THIS PROPOSED AMENDMENT? 1,000 YOU, 4,000.

BEGINNING BALANCE BY 3,763,321 COLLARS AND BY INCREASING EXPENDTURES BY \$7,700,000 FOR A ONE-TIME PAYMENT TO THE TRAVIS COUNTY HOSPITAL DISTRICT. SOURCE OF FUNDING IS \$3,763,321 IN EXCESS DISPROPORTIONATE SHARE REVENUES RECEIVED IN AUGUST OF 2004. AND 3,936,679 OF UNDESIGNATED GENERAL FUND FISCAL YEAR '05 ENDING BALANCE OF, TOTAL PAYMENT OF \$10,700,000 FROM ALL FUNDING SOURCES. THIS RELATES TO ITEM NO. 1 C 2.

MAYOR, THIS ITEM IS -- AS YOU SPOKE TO IN CHANGES AND CORRECTIONS APPROPRIATES THE GENERAL FUND PORTION OF THE TOTAL \$10.7 MILLION PAYMENT TO THE HOSPITAL DISTRICT THAT IS NOW IN THE DRAFT INTERLOCAL THAT WE HAVE THAT WE ARE WORKING ON WITH THE HOSPITAL DISTRICT. THERE WILL BE AN ITEM WHEN WE COME TO THE OTHER FUNDS AMOUNT THAT WILL ADD ANOTHER 3 MILLION FOR THE TOTAL PAYMENT OF 10.7 BUT THIS ALLOWS US TO PAY FROM THE EXCESS REVENUES THAT WE RECEIVED IN FISCAL YEAR 2004 AND FROM A PORTION OF THE UNDESIGNATED GENERAL FUND ENDING BALANCE.

Goodman: AND --

Mayor Wynn: QUESTIONS, COMMENTS, MAYOR PRO TEM?

Goodman: WHEN WE GET TO IT, I WOULD LIKE TO SECOND THAT MOTION THAT COUNCILMEMBER DUNKERLY MAKES.

Dunkerly: THANK YOU. [LAUGHTER]

Mayor Wynn: COUNCILMEMBER ALVAREZ?

Alvarez: SO THERE WILL BE ANOTHER OPPORTUNITY TO TALK ABOUT THE HOSPITAL DISTRICT OR IS THIS THE MOTION THAT WE WOULD HAVE TO SPEAK TO IN ORDER TO --

YES, COUNCILMEMBER. WE HAVE THREE SEPARATE AGENDA ITEMS FURTHER ON IN THE AGENDA AFTER WE HAVE ACTUALLY GONE THROUGH THE BUDGET AMENDMENTS AND THE ADOPTION OF THE BUDGET ITSELF.

Alvarez: OKAY, THANKS.

Mayor Wynn: THANK YOU. WITHOUT OBJECTION, FOURTH POTENTIAL AMENDMENT WHICH READS AMEND THE PROPOSED BUDGET BY INCREASING EXPENDITURES BY \$375,000 TO RAISE THE LIVING WAGE TO \$10 PER HOUR EFFECTIVE WITH THE PAY PERIOD BEGINNING APRIL 3rd, 2005. OF THIS AMOUNT \$265,000 IS FOR -- FOR GENERAL FUND AND \$110,000 IS FOR ENTERPRISE FUNDS.

Futrell: I THINK JUST A SHORT EXPLANATION OF THIS ITEM, THIS WILL ALLOW US SIX MONTHS EARLY, BEFORE THE '06 BUDGET, WHERE WE -- LET ME BACK UP A LITTLE BIT. IN THIS BUDGET IN THE PROPOSED BUDGET BEFORE YOU MAKE THE AMENDMENT, THE CITY HAD 55 JOB TITLES LEFT, WHERE THE BEGINNING SALARY WAS BELOW \$10 AN HOUR. WITH THE PROPOSED BUDGET, BEFORE THIS AMENDMENT, ONE THIRD OF THOSE TITLES MOVED ABOVE \$10. SO WE HAD TWO THIRD OF OUR PROBLEM LEFT, SLATED TO BE FIXED IN '06 IN THE FORECAST. THE COUNCIL HAD A VERY STRONG INTEREST IN MOVING THAT AHEAD IN A FASTER FASHION. WHAT THIS DOES IS THIS ALLOWS US SIX MONTHS EARLY, IN APRIL OF '05, TO MOVE ALL REMAINING JOB TITLES IN A WAY THAT DOES NOT INCREASE COMPRESSION OR CREATE INTERNAL EQUITY ISSUES IN ALL THE DIFFERENT PAY TITLES, PAY RANGES. SO IT CARRIES A SIX-MONTH FIX EARLY BEFORE THE '06 BUDGET TO GET YOU TO A \$10 LIVING WAGE FOR ALL JOB TITLES IN THE CITY. IT'S A TOTAL OF \$375,000 COST OF WHICH 265,000 IS GENERAL FUND.

IF I COULD, THIS ITEM, MOST FOLKS RECOGNIZE THAT AS PART OF THESE LEAN BUDGETS THE LAST THREE YEARS, THE LAST TWO YEARS CITY EMPLOYEES HAVE NOT RECEIVED A PAY RAISE, COST OF LIVING ADJUSTMENT, PAY FOR PERFORMANCE INCREASES. SO AS THE CITY MANAGER BROUGHT FORWARD HER DRAFT BUDGET TO THIS YEAR, DELIVERED TO US IN LATE JULY, SHE PUT INTO HER DRAFT BUDGET PAY INCREASES FOR CITY EMPLOYEES.

COUNCILMEMBER ALVAREZ AND I AND OTHERS SINCE THEN HAVE TAKEN THIS STEP. THAT IS ONE STEP FURTHER. THAT IS AS WE TRY TO -- FRANKLY REBUILD, TRY TO REWARD GOOD EMPLOYEES, TRY TO REBUILD SERVICES TO OUR TAXPAYERS AS PART OF THIS BUDGET, HOPEFULLY THE FIRST OF SEVERAL CONSECUTIVE BUDGETS NOW WHERE WE ARE ACTUALLY SORT OF REBUILDING THE STATE REPRESENTATIVE OF SERVICE DELIVERY IN THIS TOWN, STRENGTH OF SERVICE DELIVERY IN THIS TOWN, WE ALSO WANT TO TRY TO ACKNOWLEDGE THE FACT THAT WE STILL HAD SOME VERY LOW PAID CITY EMPLOYEES. SO WITH THIS AMENDMENT, THE CITY MANAGER IS NOW ADJUSTING HER PROPOSED BUDGET IN SUCH A WAY THAT BY MID YEAR, WE CAN HAVE THOSE CITY EMPLOYEES, LOWEST PAID CITY EMPLOYEES NOW EARNING \$10 AN HOUR.

MAYBE ONE LAST NOTE IS THAT COUNCIL BEGAN THIS JOURNEY IN ABOUT 2001-2002. SO IN THE COURSE OF THESE LAST TWO OR THREE YEARS, YOU HAVE MOVED FROM AN \$8 BEGINNING OR MINIMUM ALL THE WAY NOW TO \$10, WHICH I THINK IS SOME GOOD PROGRESS TO HAVE MADE IN OUR PAY RANGES. AND THE COUNCIL HAS CHOSEN TO USE WHAT HAS GROWN FROM THE \$200,000 OF UNALLOCATED ENDING BALANCE, WHEN WE DID THE PROPOSED BUDGET WITH A LITTLE ADDITIONAL SALES TAX THAT HAS COME IN TO \$370,000, THEY HAVE USED A PORTION OF THAT TO MAKE THIS GAIN IN THIS FINAL SIX MONTHS.

Mayor Wynn: COUNCILMEMBER ALVAREZ?

Alvarez: THANK YOU, MAYOR, MADAM CITY MANAGER. I WANT TO THANK THE COUNCIL FOR MAKING THIS A PRIORITY AND FOR WORKING, THE CITY MANAGER WORKING WITH US TO MAKE IT HAPPEN BECAUSE IT WAS SOMETHING THAT WE WERE HOPING THAT WE COULD HAVE DONE MORE QUICKLY. BUT BECAUSE OF THE, YOU KNOW, SERIOUSNESS OF OUR BUDGET SITUATION THE LAST COUPLE OF YEARS, WE WEREN'T ABLE TO MAKE AS MUCH HEAD WAY AS WE WOULD HAVE LIKED AND SO GOING INTO IT, I THINK, A LOT OF US ON THE COUNCIL WERE INTERESTED IN SEEING HOW QUICKLY WE COULD MOVE TOWARDS THAT GOAL AND SO I'M VERY, VERY HAPPY TO REPORT THAT WE ARE ABLE TO DO -- TO GO TO THIS \$10 AN HOUR MINIMUM WAGE FOR THE CITY

EMPLOYEES, SIX MONTHS EARLIER, WHICH MEANS THAT THESE EMPLOYEES WHICH -- WHICH I THINK ARGUABLY WE COULD SAY ARE HARDEST HIT BECAUSE OF THE FACT THAT WE HAVEN'T HAD A PAY INCREASE IN THE LAST TWO YEARS, SINCE THEY ARE THE ONES THAT ARE MAKING THE -- THE LEANEST OF THE SALARIES, ARE GOING TO GET SOME RELIEF HERE OCTOBER 1. BECAUSE -- BECAUSE OF THE MONEY THAT WE WERE ABLE TO INCLUDE IN THE BUDGET FOR -- FOR PAY FOR PERFORMANCE AND SO I WOULD -- ALSO I WOULD RECOGNIZE THE CITY MANAGER FOR AGREEING TO HAVE THAT RAISE, THOSE RAISES GO INTO EFFECT OCTOBER 1 INSTEAD OF JANUARY 1, WHICH IS USUALLY OUR POLICY WHEN IT COMES TO -- TO IMPLEMENTING THESE NEW PAY FOR PERFORMANCE LEVELS AND SO I DO WANT TO THANK YOU AS WELL AND RECOGNIZE YOU AS WELL, MADAM CITY MANAGER FOR THAT. AND THEN SO AGAIN THESE FOLKS WILL -- WILL GET SOME RELIEF. ALL OF THE WORKFORCE WILL -- WILL FOR THE MOST PART GET SOME RELIEF OCTOBER 1. BUT THEN MID-WAY THROUGH THE BUDGET YEAR, APRIL 1st, APRIL 3rd OR SO, THEN THEY WILL MAKE THAT LIVING WAGE ADJUSTMENT. SO AGAIN ADDING MORE RELIEF TO FOLKS WHO MAY BE STRUGGLING TO MAKE ENDS MEET AND PROVIDE FOR THEIR FAMILIES. SO I'M -- ANYWAY, VERY EXCITED, WE ARE ABLE TO DO THIS ONE, THANK YOU CITY MANAGER AND COUNCIL FOR YOUR SUPPORT ON THIS.

Mayor Wynn: FURTHER COMMENTS, QUESTIONS? THIS IS PROPOSED AMENDMENT NUMBER 4. AND MOVING ON ... AMENDMENT NUMBER -- PROPOSED AMENDMENT NUMBER 5 IS TO AMEND THE OPERATING BUDGET BY INCREASING EXPENDITURES BY \$25,000 IN THE PARKS AND RECREATION DEPARTMENT FOR RESTORATION OF FULL FUNDING FOR THE MADE NIGHT BASKETBALL PROGRAM.

MAYOR AND COUNCIL, THE PROPOSED BUDGET INCLUDED A REDUCTION TO THE OVERALL FUNDING FOR THIS PROGRAM OF \$25,000 FOR THIS ITEM, THE [INDISCERNIBLE] PROGRAM, WHICH HAS PROVEN TO BE VERY SUCCESSFUL THROUGHOUT THE COMMUNITY.

Mayor Wynn: COUNCILMEMBER THOMAS?

Thomas: THANK YOU VERY MUCH, MAYOR. I APPRECIATE THE CITY MANAGER AND COUNCIL FOR -- FOR IMPLEMENTING AND PUTTING THE 25,000 BACK JUST LIKE RUDY WAS SAYING. THIS PROGRAM HAS SHOWN TO BE VERY PRODUCTIVE IN THE COMMUNITY AND HAS A GREAT OUTREACH PROGRAM FOR KIDS. FOR THE JUST TO PLAY BASKETBALL AND BASKETBALL TOURNAMENTS, BUT ALSO TO HELP KIDS THROUGH THEIR EDUCATION BECAUSE EACH ONE OF THOSE IN SCHOOL HAVE TO PARTICIPATE IN MAKING SURE THAT THEIR GRADES ARE UP BEFORE THEY CAN EVEN PARTICIPATE INTO THE PROGRAM. I COMMEND MR. JAMES SILAS FOR THE HARD WORK HE HAS DONE IN THE COMMUNITY. THANK YOU VERY MUCH.

Mayor Wynn: THANK YOU, COUNCILMEMBER. FURTHER COMMENTS?

Futrell: I THINK MAYBE THE ONLY OTHER THING TO NOTE, ONCE AGAIN THE FUNDING SOURCE FROM THIS WOULD COME FROM THAT \$370,000 OF UNAPPROPRIATED BALANCE.

Mayor Wynn: SO IN FACT THAT REMINDS ME, WE PROBABLY SHOULD HAVE AS I GO THROUGH EACH OF THESE AMENDMENTS, AT LEAST KEEP SORT OF A RUNNING TAB AS WE HAVE HERE ON OUR MOTION SHEET AS TO THE REMAINING BALANCE LEFT IN THE -- WHAT'S TITLED HERE AS THE GAP.

Futrell: I THINK FOR THOSE IN THE AUDIENCE WE ALSO HAVE IT UP HERE ON THE SCREEN BEHIND YOU. SO WE WILL SORT OF FOLLOW ALONG WITH YOU AS YOU MAKE MOTIONS SO YOU CAN SEE HOW WE ARE TALLYING DOWN. BUT IT IS ALSO ON YOUR MOTION SHEET.

Mayor Wynn: THANK YOU, AGAIN THAT WAS PLOAPED AMENDMENT NUMBER -- PROPOSED AMOUNT NUMBER 5, \$25,000 RESTORATION IN THE PARKS DEPARTMENT FOR MIDNIGHT BASKETBALL, LEAVING THE BALANCE GAP OF \$79,798. FURTHER COMMENTS? QUESTIONS? OBJECTIONS? IF NOT, MOVING ON TO AMENDMENT NUMBER 6. AMEND THE OPERATING BUDGET OF THE PARKS AND RECREATION DEPARTMENT BY INCREASING THE EXPENDITURES IN THE AMOUNT OF \$25,000 FOR THE AUSTIN PAST AND PRESENT

PROJECT AT THE AIRPORT.

Futrell: THIS IS A GRANT, WAY TO LEVERAGE A GRANT. AN UNEXPECTED GRANT FOR AN ART PROJECT THAT IS A \$25,000 GRANT WITH THIS MONEY THEY ARE ABLE TO LEVERAGE THAT ADDITIONAL \$25,000. IT HAS A LONG HISTORY THAT SEVERAL OF OUR COUNCILMEMBERS AND OUR MAYOR PRO TEM CAN SPEAK TO. AT THE AIRPORT AND ONCE AGAIN THE FUNDING SOURCE FOR THIS ITEM WOULD COME FROM THAT UNAPPROPRIATED ENDING BALANCE.

Goodman: CAN I ADD TO THAT? RIGHT BEFORE SEPTEMBER 11TH, THOUGH THIS PROJECT WAS COMMITTED TO BY THE CITY. IT'S A RELATIVELY SMALL DOLLAR AMOUNT WITH -- WITH A BENEFICIAL IMPACT AND SO OVER TIME WITH THE ECONOMY REELING ALREADY AND THEN SEPTEMBER 11TH AND OUR ECONOMIC IMPACT FROM THAT EXACERBATING THE SITUATION, WE ARE STILL ATTEMPTING TO FOLLOW THROUGH ON THE COMMITMENT MADE BEFORE SEPTEMBER 11TH.

Mayor Wynn: THANK YOU, MAYOR PRO TEM. COUNCILMEMBER DUNKERLY?

Dunkerly: I APPRECIATE THE CITY MANAGER MATCHING THIS GRANT. IT DOES ALLOW ONE OF OUR COMMUNITY GROUPS TO HAVE MORE FUNDS TO PUT INTO A PROJECT AS MAYOR PRO TEM SAID WE ORIGINALLY BUDGETED IN THE RANGE OF \$60,000 AND AGAIN THE EVENTS OF 9/11 PRECLUDED THAT FROM HAPPENING, THIS SORT OF CLOSES THAT CIRCLE AND THANK YOU.

Futrell: THERE IS A RUMOR OUT THERE, COUNCIL, THAT ONE OF OUR EXECUTIVE TEAM'S VOICE IS ON THAT ART PROJECT. I HAVE WORRIED THAT'S A CONFLICT OF INTEREST ACTUALLY, BUT I THINK IF ASKED HE MIGHT BE WILLING TO GIVE YOU THE LINE HE GIVES [INDISCERNIBLE] ON THAT PROJECT.

I WOULD IF I COULD REMEMBER IT, CITY MANAGER.
[LAUGHTER] BUT I'M AFRAID I CAN'T.

Goodman: WHEN WE COME TO THE MOTION FOR THAT

AMENDMENT, I WOULD LIKE TO SECOND THE MOTION BY COUNCILMEMBER DUNKERLY.

Mayor Wynn: THANK YOU. AGAIN, SO THIS \$25,000 AMENDMENT LEAVES THE GAP BALANCE OF \$54,798. PROPOSED AMENDMENT NUMBER 7. AMEND THE OPERATING BUDGET BY INCREASING REVENUE IN THE MUNICIPAL COURT DEPARTMENT BY \$200,000, INCREASING EXPENDITURES IN THE POLICE DEPARTMENT BY \$250,000, AND ADDING 2.0 SWORN F.T.E.S FOR LIEUTENANT POSITIONS. CITY MANAGER.

Futrell: WE HAVE TWO NEW NEEDS THAT HAVE SURFACED IN OUR PUBLIC SAFETY ARENA. MANY OF YOU ARE AWARE THAT WE ARE UNDERGOING A MASSIVE COMMUNICATION AND TECHNOLOGY TRANSFER RIGHT NOW WITH OUR 800-MEGAHERTZ RADIO, WITH OUR NEW CAD SYSTEM, WITH OUR NEW MOBILE DATA TERMINALS. WE HAVE HAD TO PULL A LIEUTENANT FROM PATROL INTO COMMUNICATIONS TO HELP LINK THE PATROL TECHNOLOGY AND COMMUNICATIONS WHICH HAS MOVED A LIEUTENANT OUT OF PATROL. IN ADDITION TO THAT, ALL OF YOU ARE AWARE THAT THIS COMMUNITY HAS HAD A TOUGH YEAR WITH TRAFFIC FATALITIES AND TRAFFIC AGENTS. OUR CHIEF PROPOSED A NEW TRAFFIC DIVISION TO PUT A NEW FOCUS ON TRAFFIC ENFORCEMENT AS WELL AS TRAFFIC MANAGEMENT. WHAT WE ARE DOING IN THIS ITEM IS WE ARE CREATING TWO NEW LIEUTENANT SLOTS. ONE THAT WOULD BACKFILL THAT LIEUTENANT, LOST FOR PATROL IN COMMUNICATION IN TECHNOLOGY, THE SECOND TO AUGMENT THAT NEW TRAFFIC UNIT, TO PUT AN INCREASED FOCUS ON ENFORCEMENT AND MANAGEMENT. SO REAL WORLD PROBLEMS, A REAL WORLD SOLUTION, ONE ITEM, TWO NEW POSITIONS, TO PUT LIEUTENANT POSITIONS BACK IN PATROL-LIKE FUNCTIONS, ONE IN TRAFFIC, ONE BACK IN PATROL THAT WE LOST TO COMMUNICATION AND TECHNOLOGY.

Mayor Wynn: SO WHAT WE ARE SHOWING IS ONLY \$50,000 COMING OUT OF THIS PROPOSED BUDGET GAP TOWARDS THIS, BUT \$200,000 COMING IN FROM THE INCREASED ENFORCEMENT OF TRAFFIC VIOLATIONS.

AND WE ARE ANTICIPATING WITH A NEW UNIT AND A NEW FOCUS ON BOTH ENFORCEMENT AND MANAGEMENT THAT WE WILL HAVE A REVENUE INCREASE IN THE NEWSPAPER PAL COURT SIDE, WITH -- IN THE MUNICIPAL COURT SIDE WITH OUR TRAFFIC INITIATIVES AS WELL AS A \$50,000 PORTION COMING FROM THE UNAPPROPRIATED ENDING BALANCE. BETWEEN THOSE TWO FUNDING SOURCES, THOSE WILL BE ENOUGH TO FUND THE SALARIES, THE BENEFITS AND THE EQUIPMENT THAT COME FROM ADDING TWO LIEUTENANTS IN THE POLICE DEPARTMENT.

THANK YOU, FURTHER COMMENTS, QUESTIONS?

YES, MAYOR PRO TEM.

Goodman: MAYOR PRO TEM?

Goodman: AS SOMEBODY WHO HAD BEEN INTEREST IN THAT 50,000 AND WHO IS SO ALTRUISTIC, THIS BUDGET CYCLE, I WOULD LIKE TO SAY THAT THIS IS A VERY DIFFICULT ONE AND I APPRECIATE THE CITY MANAGER'S ABILITY TO -- TO BE CREATIVE. I THINK THAT IT'S REALLY LUCKY THAT THIS YEAR WE ARE ABLE TO HAVE ANY LEEWAY FOR BEING CREATIVE AT ALL. AND I APPRECIATE THAT. OF COURSE MUNICIPAL COURT WILL HAVE TO -- WILL HAVE TO DO THE ACTUAL WORK TO BRING IN THAT REVENUE. HAD WE KNOWN, EXCUSE ME, ABOUT THIS REQUEST A LITTLE FURTHER OUT, I THINK IT COULD HAVE BEEN AGENT SMOOTHER, A LITTLE -- A LITTLE SMOOTHER, A LITTLE MORE EASILY DONE. IN THE FUTURE I HOPE THAT LEAD TIME HAPPENS.

Mayor Wynn: THANK YOU, FURTHER COMMENTS, QUESTIONS? OBJECTIONS TO AMENDMENT NUMBER 7? HEARING NONE, LET'S MOVE ON. PROPOSED AMENDMENT NUMBER 8. TO AMEND THE OPERATING BUDGET BY DECREASING THE GENERAL FUND TRANSFER TO THE SUSTAINABILITY FUND BY \$314,000 ESTABLISHING A NEW FUND CALLED THE TURNER ROBERTS O AND M FUND AND BY INCREASING GENERAL FUND TRANSFERS TO THIS NEW FUND BY \$314,000 TO MOVE THE OPENING DATE OF THE TURNER ROBERTS RECREATION CENTER FROM OCTOBER 12007 TO OCTOBER 1, 2006.

I THINK RUDY, YOU ARE GOING TO SORT OF EXPLAIN HOW

THIS IS CONSTRUCTED AND WHAT THIS ACCOMPLISHES.

MAYOR AND COUNCIL, I WILL START OFF. THIS ITEM AS YOU SEE ON THIS LINE HAS NO IMPACT, FINANCIAL IMPACT TO THE GENERAL FUND. THIS IS A REVENUE MUTUAL ITEM. BASICALLY, THIS TOFS REVISE A LOAN RE-- BASICALLY THIS WAS TO REVISE A LOAN REPAYMENT SCHEDULE THAT WE HAVE, SET ASIDE FUTURE O AND M FUNDING. SO THAT WHEN WE OPEN UP THE RECREATION CENTER IN 2006 OR -- ON OCTOBER 2006, IT WILL PROVIDE US FUNDING FOUR MONTHS PRIOR TO THAT OPENING DATE AND IT WILL ALSO SET ASIDE FUNDING FOR THE FIRST FULL YEAR OF FUNDING, SO THIS COMPLIES WITH THE -- WITH THE RECOMMENDATION LAST YEAR TO DELAY THIS FACILITY AND NOT HAVE ANY IMPACT TO THE GENERAL FUND INTO FISCAL YEAR 2008.

Mayor Wynn: FURTHER COMMENTS, QUESTIONS? IN I COULD -
- IF I COULD, WHAT I WANT TO UNDERSTAND -- I WILL SAY I'M NOT GOING TO BE SUPPORTIVE OF THIS AMENDMENT. NOT BECAUSE OF INDIVIDUAL ANALYSIS OF THIS PARTICULAR FACILITY, WHERE IT'S -- WRITS LOCATED, WHERE IT MIGHT BE NEEDED. BUT MY UNDERSTANDING OF ESSENTIALLY THE FINANCING OF -- OF THE FUTURE OPERATING DOLLARS OF THIS FACILITY IS IN FACT COMING FROM AUSTIN ENERGY. AND ONE OF THE -- ONE OF THE CHALLENGES THAT I THINK OUR FUTURE GENERAL FUND WILL HAVE WILL BE IN FACT THE O AND M OF ANY NUMBER OF GENERAL FUND FACILITIES. AND LIKE A SIMILAR VOTE LAST YEAR, I'M NOT GOING TO BE SUPPORTIVE WHEREBY AUSTIN ENERGY IS HAVING TO EITHER BY IT'S LOANING THE GENERAL FUND MONEY AND/OR DIRECTLY PAYING FOR THE O AND M OF A FUTURE FACILITY, I THINK THAT PUTS OUR O AND M COLLARS, PARTICULARLY IN OUR -- DOLLARS, PARTICULARLY IN OUR PARKS DEPARTMENT, OVERLY STRAINED IN THE FUTURE YEARS. SO I WON'T BE SUPPORTIVE OF THIS AMENDMENT. SO HE OWE SO WITH THAT I GUESS I WOULD LIKE TO PROPOSE TO GO AHEAD AND TAKE A MOTION AND A SECOND ON AMENDMENT NUMBER 8 SO WE CAN HAVE AN INDIVIDUAL VOTE ON THAT ITEM AND THEN BASED ON ITS OUTCOME, WE WILL HAVE A COLLECTIVE MOTION AND A SECOND ON ALL OF THESE AMENDMENTS TO ADOPT WITH THE OPERATING BUDGET. SO

I'LL ENTERTAIN A MOTION ON ITEM NO. 8.

Thomas: SO MOVE.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER THOMAS, SECONDED BY COUNCILMEMBER ALVAREZ TO ADOPT AMENDMENT NUMBER 8. WHICH WILL THEN TAKE UP INTO PART OF THE OPERATING BUDGET. FURTHER COMMENTS?

Goodman: MAYOR?

Mayor Wynn: MAYOR PRO TEM?

> GOODMAN: I'M HAPPY THAT WE WERE ABLE TO FIND A WAY TO DO THIS AS WELL. I WISH THAT OTHER PROJECTS THAT HAVE BEEN IN THE QUEUE FOR A LONG, LONG TIME COULD HAVE BEEN HELPED IN THE SAME WAY. SINCE THEY COULDN'T I CONGRATULATE THE ONE THAT CAN AND WISH OTHERS WERE WITH IT.

Mayor Wynn: FURTHER COMMENTS?

Thomas: MAYOR, I REALLY APPRECIATE THE CITY MANAGER AND STAFF AND I DO HEAR WHAT MAYOR PRO TEM IS SAYING AND I HOPE THAT WE CAN FIND SOME OTHER WAYS, ALSO, AND I RESPECT YOUR OPINION WHAT YOU SAID, TOO, MAYOR. THAT THIS IS -- THIS IS LIKE OTHER FACILITIES IS A LONG OVERDUE AND I'M LOOKING FOR THE NEAR TOUCH THAT OUR REVENUES WILL BE MUCH BETTER THAN WHAT IT IS. THE DAY IT IS INCREASING -- SOMETIMES WHEN WE INVEST IN CERTAIN PROJECTS LIKE THIS, WE INVEST IN THE FUTURE OF THE CITY OF AUSTIN, WE INVEST IN KIDS, WE INVEST IN FAMILIES AND THIS IS WHY I'M VERY SUPPORTIVE OF IT. BECAUSE THE GENERAL AREA, THERE ARE OTHER AREAS THAT NEED THE SAME SERVICES. THIS AREA HAS NOTHING CLOSE TO IT. IN PROXIMITY AS OTHER AREAS DO, I JUST REALLY APPRECIATE COUNCIL IN SUPPORTING THIS, AND I'M ALWAYS OPEN TO TRY TO HELP OTHER -- OTHER PROJECTS BECAUSE I THINK WE ALL ON THIS COUNCIL AT LARGE. THANK YOU VERY MUCH.

Mayor Wynn: THANK YOU, COUNCILMEMBER. AGAIN WE HAVE A MOTION AND A SECOND TO ADOPT AMENDMENT NUMBER 8

REGARDING THE TURNER ROBERTS O AND M FUND.
HEARING NO COMMENTS, ALL THOSE IN FAVOR PLEASE SAY
AYE.

AYE.

OPPOSED? NO. MOTION ON ITEM NO. 8 TO AMEND PASSES
ON A VOTE OF 6-1 WITH THE MAYOR VOTING NO. SO
COUNCIL THAT TAKES US NOW BACK TO THE ABILITY TO
ADOPT ALL EIGHT OF THESE AMENDMENTS. FOR OUR
GENERAL REVENUE FUND AND EXPENDITURES FOR THE
OPERATING REQUIREMENTS BACK INTO THE MAIN MOTION
ON THE OPERATING BUDGET.

MAYOR? I MOVE APPROVAL OF ALL OF THE AMENDMENTS TO
BE INCLUDED IN OUR OPERATING BUDGET FOR '05.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER DUNKERLY,
SECONDED BY MAYOR PRO TEM TO ADOPT THESE EIGHT
AMENDMENTS INTO THE MAIN MOTION FOR APPROVAL OF
OUR OPERATING BUDGET. FURTHER COMMENTS? HEARING
NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? MOTION PASSES ON A VOTE OF 7-0. SO WE
NOW HAVE ALL OF THE AMENDMENTS FOR THE OPERATING
BUDGET ON THE GENERAL FUND.

YOU ASKED EARLIER IF YOU GO BACK TO THE MAIN MOTION
AFTER PASSING THOSE FIRST EIGHT AMENDMENTS, I
BELIEVE YOU COULD GO ON TO GROUP C AND GROUP D
BECAUSE I RECEIVED CLARIFICATION THAT ALL OF THOSE
AMENDMENTS AS WELL AMEND THE OPERATING BUDGET.
THEY COULD SAY GOING BACK TO THE MAIN MOTION UNTIL --
THAT COULD SAVE GOING BACK TO THE MAIN MOTION UNTIL
YOU GET TO THAT.

Mayor Wynn: COUNCIL WE NOW HAVE ESSENTIALLY GONE
THROUGH THE AMENDMENTS THAT SHOWED UP AS ITEMS B,
ONE THROUGH EIGHT, WE WILL NOW TAKE UP C 1 AND 2, D, 1
THROUGH 4 AND E 1 BEFORE GOING BACK TO THE MAIN
OPERATING BUDGET MOTION. SO UNDER NUMBER C, THE

FOLLOWING AMENDMENTS ARE NON-GENERAL FUND AMENDMENTS. ITEM NO. 1 AMEND OTHER FUND EXPENDITURES AUTHORIZE POSITIONS AND TRANSFERS TO REFLECT AMENDMENTS APPROVED TO THE GENERAL FUND. PERHAPS A QUICK EXPLAIN EXPLANATION OF THAT, MR. GARZA.

MAYOR AND COUNCIL, WHAT THIS ITEM DOES IS IT ALLOWS US TO CAPTURE ALL OF THE AMENDMENTS THAT NEED TO HAPPEN TO THE OTHER FUND. FOR INSTANCE, THE LIVING WAGE AMENDMENT THAT YOU APPROVED ALSO IMPACTS THE ENTERPRISE FUNDS. RATHER THAN LISTING EVERY SINGLE ITEM INDIVIDUALLY, THIS IS KIND OF A CATCH ALL SINCE YOU HAVE ALREADY HAD THE DISCUSSION. ADDITIONALLY THE ITEM FOR THE TURNER ROBERTS RECREATION CENTER ALSO IMPACTS SEVERAL FUND. THIS ITEM INSTEAD OF LISTING EVERY SINGLE ITEM INDIVIDUALLY, GETTING VERY COMPLICATED, THIS ITEM ALLOWS US TO PROCEED WITH THAT ACTION.

Mayor Wynn: QUESTIONS, COMMENTS? COUNCIL? IF NOT, WE'LL MOVE ON TO THE SECOND ITEM UNDER C, AMEND THE PROPOSED BUDGET OF THE COMMUNITY CARE DEPARTMENT BY INCREASING EXPENDITURES BY \$3 MILLION FOR A ONE-TIME PAYMENT TO THE TRAVIS COUNTY HOSPITAL DISTRICT, SOURCE OF FUNDING IS FISCAL YEAR '04 ENDING BALANCE AND THEREFORE THE TOTAL PAYMENT OF \$10,700,000 FROM ALL FUNDING SOURCES. THIS RELATES TO ITEM NO. 1 B 3.

MAYOR THE ACTION THAT YOU TOOK IN ITEM 1 B 3 WAS TO APPROPRIATE 7.7 MILLION FROM THE GENERAL FUND, THIS TEMPORARILY OFF THE DAIS APPROPRIATES THE OTHER 3 MILLION THAT'S NEEDED TO GET TO THE TOTAL \$10.7 MILLION PAYMENT. THAT'S IN THE [INDISCERNIBLE] WITH THE TRAVIS COUNTY HOSPITAL DISTRICT.

Mayor Wynn: COMMENTS, QUESTIONS? COUNCILMEMBER SLUSHER?

Slusher: THANK YOU, MAYOR. I'M HAPPY THAT IT APPEARS THIS IS WORKING OUT. BUT -- BUT I WANT TO MAKE SURE, ONE, THAT THE DISTRICT IS KEEPING THE COVENANT WITH

THE VOTERS ABOUT WHAT THE TAX RATE IS GOING TO BE. SO MY CONCERN IS WHETHER THEY ARE GOING TO BE THEIR POLICIES ON THE SPENDING OF THE RESERVE BECAUSE I WOULD WANT TO MAKE SURE THAT'S NOT GOING TO BE USED FOR ONE TIME EXPENSE. IT WOULD THEN MEAN A MUCH HIGHER TAX RATE THE NEXT YEAR BASED ON IF THEY PUT THE RESERVES MONEY THEY GOT FROM THE CITY ONE TIME INTO THEIR OVERALL OPERATING BUDGET.

COUNCILMEMBER, WE'VE HAD DISCUSSION WITH THE TEAM THAT WE'VE BEEN NEGOTIATING WITH, INCLUDING THE CHAIRMAN OF THE BOARD CLARK HYRICK, CLARK ASSURES ME THAT IS NOT INTENT OF THE DISTRICT, FURTHER THAT THEY INTEND TO ADOPT FINANCIAL POLICIES THAT WILL PRESCRIBE HOW EACH ONE OF THOSE OR EACH COMPONENT OF THAT TOTAL RESERVE WILL BE USED. SO WE EXPECT TO NEGOTIATE INTO THE DRAFT INTERLOCAL THAT'S NOT IN THE VERSION THAT YOU'VE GOT RIGHT NOW, BUT A STATEMENT FROM -- FROM THE DISTRICT THAT THEY WILL ADOPT FINANCIAL POLICIES THAT WILL DESCRIBE THE CONDITIONS UNDER WHICH THEY WILL USE THE COMPONENTS OF THEIR RESERVE. [ONE MOMENT PLEASE FOR CHANGE IN CAPTIONERS]

Mayor Wynn: MOTION MADE BY THE MAYOR PRO TEM, SECONDED BY COUNCILMEMBER ALVAREZ TO ADOPT AMENDMENT C-1 AND C-2 INTO THE MAIN MOTION ON THE OPERATING BUDGET. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. COUNCIL, THAT TAKES US TO ITEM D, WHICH ARE AMENDMENTS TO SPECIAL REVENUE FUNDS IN THE OPERATING BUDGET. THERE ARE FOUR OF THEM. NUMBER 1, AMEND THE PROPOSED BUDGET BY INCREASING BUDGETED REVENUE AND EXPENDITURES OF THE RMMA REIMBURSEMENT FUND IN AN AMOUNT OF \$634,115 FOR A TOTAL AMOUNT OF \$2,538,365. PERHAPS A QUICK SUMMARY.

MAYOR AND COUNCIL, THIS ITEM PERTAINS TO OUR NEGOTIATING AGREEMENT WITH COTELLIS FOR THE MUELLER PROPERTY. AS PART OF THE ORIGINAL NEGOTIATING AGREEMENT WE SET A TIME LINE AND WE'RE ALLOWED TO EXPEND A CERTAIN AMOUNT OF MONEY UP TO

THAT TIME LINE. BECAUSE OF THE SETON PROJECT THAT TIME LINE HAS BEEN EXTENDED AND AS A RESULT WE HAVE BEEN AUTHORIZED TO SPEND MORE MONEY WHICH WILL BE REIMBURSED BY THEM IN THE PROJECT ULTIMATELY. SO THIS MERELY ALLOWS US TO SPEND THE MONEY TO FINISH OUR NEGOTIATING THE CONTRACT.

Mayor Wynn: QUESTIONS ON THAT ITEM? COMMENTS? IF NOT WE'LL MOVE DOWN, THE NEXT THREE AMENDMENTS TO THE SPECIAL REVENUE FUNDS REPRESENT GRANTS WHICH WERE AWARDED TO THE CITY OF AUSTIN AFTER SUBMITTAL OF THE PROPOSED BUDGET. NUMBER 2 IS TO AMEND THE POLICE SPECIAL REVENUE FUND BY INCREASING APPROPRIATIONS IN THE AMOUNT OF \$80,000 AND ADDING 2.0 F.T.E.S FOR THE OUTREACH FEMALE VICTIMS DOMESTIC VIOLENCE STALKING GRANT FROM THE VICTIMS OF CRIME ACT FUND, VOCA. NUMBER 3, AMEND THE PROPOSED BUDGET OF THE ECONOMIC GROWTH AND REDEVELOPMENT SERVICES SPECIAL REVENUE FUND BY INCREASING APPROPRIATIONS IN THE AMOUNT OF \$2,384 FOR TEXAS COMMISSION ON THE ARTS, AUSTIN STORIES. AND 4, AMEND THE PROPOSED BUDGET OF THE AUSTIN CONVENTION CENTER SPECIAL REVENUE FUND BY INCREASING APPROPRIATIONS IN THE AMOUNT OF \$397,640 FOR RENOVATIONS REQUIRED AT THE CONVENTION CENTER FOR THE WORLD CONGRESS ON INFORMATION TECHNOLOGY. AWARDED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

MAYOR, YOU MIGHT WANT A LITTLE EXPLANATION ON NUMBER 4. OF THE THREE, THAT IS THE ONE THAT IS A LITTLE BIT UNUSUAL FOR A GRANT ACCEPTANCE, AND JOHN, DO YOU WANT TO DESCRIBE THAT ONE?

CITY MANAGER, THIS IS A SIGNIFICANT BENEFIT IS CITY IS GOING TO RECEIVE FROM WTIC 2006 WHICH IS GOING TO PUT ON THE PREMIER TECHNOLOGY CONFERENCE IN MAY OF 2006. THIS IS A GRANT THAT WAS AWARDED FROM H.U.D. COMING INITIALLY TO WCIT AND NOW TO THE CITY THAT'S GOING TO ALLOW US TO INSTALL WIRELESS ACCESS POINTS THROUGHOUT THE CONVENTION CENTER AND IN ADDITION TO UPGRADE OUR BAND WIDTH IN THE ORIGINAL HALF OF THE CONVENTION CENTER TO THE SAME BAND WIDTH

SPEED THAT WE HAVE IN THE EXPANDED CONVENTION CENTER WHICH WILL ALLOW FOR SIGNIFICANT VIDEO SHOWS AND THINGS LIKE THAT. SO IT'S A GREAT BENEFIT TO THE CITY.

Mayor Wynn: THANK YOU, MR. STEVENS. QUESTIONS, COMMENTS? IF NOT, I'LL ENTERTAIN A MOTION ON THESE FOUR ITEMS UNDER D, D-1 THROUGH 4, AMENDMENTS TO SPECIAL REVENUE FUNDS IN THE OPERATING BUDGETED.

Thomas: SO MOVED.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER THOMAS. SECONDED BY COUNCILMEMBER DUNKERLEY TO ADOPT THESE FOUR SPECIAL REVENUE FUND AMENDMENTS INTO THE OPERATING BUDGET. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. AYE. OPPOSED? MOTION PASSES ON A VOLT OF 7 VOTE OF 7-0. THE LAST OF OUR AMENDMENT ISSUES, COUNCIL, IS ISSUE E. AND THAT'S THE FINAL OPERATING BUDGET AMENDMENT TO AMEND THE FINANCIAL POLICIES AS APPROVED BY THE AUDIT AND FINANCE COMMITTEE. AND THIS ONE ITEM READS: AMEND THE PROPOSED FINANCIAL POLICIES AS APPROVED BY THE AUDIT AND FINANCE COMMITTEE MEETING DURING THAT YOU ARE AUGUST 2004 MEETING AND I BELIEVE IN ADDITION TO THE BACKUP EARLIER EVERYBODY HAS A COPY OF THE PROPOSED REVISIONS THE CITY -- TO THE CITY FINANCIAL POLICIES. PERHAPS A QUICK SUMMARY BY MR. STEVENS.

MAYOR, THE FIRST FINANCIAL POLICY THAT'S BEING AMENDED IS UNDER THE CITY-WIDE SECTION. IN THE PAST -- ACTUALLY THIS IS MOSTLY A CLEANUP ITEM BECAUSE IT RELATES TO THE CITY HAVING AN INDIVIDUAL RATHER THAN AGGREGATE STOP LOSS POLICY FOR EMPLOYEE CLAIMS. IN THE PAST WE HAD AN AGGREGATE POLICY, BUT WE DETERMINED SEVERAL YEARS AGO THAT IT WASN'T KORBL BENEFICIAL TO HAVE THAT POLICY -- COST BENEFICIAL BECAUSE THAT POLICY ONLY KICKED IN WHEN THE CITY EXCEEDED ITS TOTAL CLAIMS EXPENSE FOR ALL EMPLOYEES BY MORE THAN 25%, WHICH WE'VE NEVER EVEN COME CLOSE TO DOING. SO WE HAVE MOVED INSTEAD TO PUT AN INDIVIDUAL STOP LOSS POLICY IN PLACE THAT KICKS

IN WHEN ANY PARTICULAR EMPLOYEE HAS A CLAIM THAT'S HIGHER THAN 500,000. THIS, I THINK, IS A PRUDENT MEASURE THAT WE'VE DONE BECAUSE IT SAVED US, FOR EXAMPLE, IN 2003, SAVED US ABOUT 140,000 WHEN WE HAD ONE CLAIM FOR AN EMPLOYEE THAT CAME IN AT A TOTAL OF ABOUT A MILLION DOLLARS. BUT THAT 140,000 IS OVER THE COST OF THE POLICY ITSELF. THE NEXT POLICY THAT WE CHANGED WAS THE POLICY ON FUNDS HAVING A NEGATIVE AVERAGE DAILY CASH BALANCE, AND WE HAVE CLARIFIED THAT POLICY TO MAKE SURE THAT -- TO MAKE SURE THAT IT APPLIES ONLY TO OPERATING AND CAPITAL FUNDS BECAUSE THERE ARE A NUMBER OF FUNDS, FOR EXAMPLE OUR GRANT FUNDS THAT ARE TYPICALLY OPERATED ON A NEGATIVE CASH BALANCE ON A REIMBURSEMENT BASIS. THEN THE AUDIT AND FINANCE COMMITTEE FURTHER REFINED THAT DEFINITION SO THAT IT WOULD BE THOSE FUNDS THAT EXCEEDED A NEGATIVE CASH BALANCE OF A MILLION DOLLARS OVER THE COURSE OF ONE YEAR. THE NEXT POLICY THAT WE AMENDED RELATES TO OUR TAX ABATEDMENT POLICY. THAT FINANCIAL POLICY REFERRED TO AN ORDINANCE THAT WE HAD IN PLACE FROM THE SAMSUNG TAX ABATEMENT WHICH EXPIRED LAST YEAR, AND SO WE'VE CLARIFIED THAT POLICY TO SHOW THAT ALTHOUGH THERE IS NO CURRENT ORDINANCE IN PLACE, WE WILL ADOPT AN ORDINANCE AS WE'RE REQUIRED TO BY STATE LAW IF WE ENTER INTO THE SAME TYPE OF TAX ABATEMENT THAT WE DID WITH SAMSUNG, AND WE'LL DO THAT IN ACCORDANCE WITH OUR CRITERIA FOR ECONOMIC DEVELOPMENT. THE NEXT ITEM WAS JUST A CLEANUP IN THE GENERAL FUND SECTION THAT TALKED ABOUT MAINTENANCE AND REPLACEMENT FUNDING FOR CAPITAL EQUIPMENT AND WHAT OUR GUIDELINES FOR THAT WILL BE. THAT WAS A DUPLICATE OF A CITY-WIDE FINANCIAL POLICY SO WE SAW NO NEED TO HAVE THAT SAME POLICY IN THE GENERAL FUND WHEN WE HAD THE POLICY CITY-WIDE SO WE HAVE DELETED THE POLICY IN THE GENERAL FUND SECTION. THE NEXT POLICY CLARIFIES THAT AUSTIN ENERGY WILL MAINTAIN AN OPERATING CASH BALANCE EQUIVALENT TO 45 DAYS OF BUDGETED OPERATIONS INSTEAD OF A WORKING CAPITAL BALANCE. THIS IS MORE CONSISTENT WITH THEIR ABILITY TO USE THAT CASH AS OPPOSED TO WORKING CAPITAL WHICH IS ALSO COMPOSED

OF ACCOUNTS RECEIVABLE AND CANNOT BE USED TO LIQUIDATE THOSE PAYMENTS FOR OPERATIONS. AND THEN THE LAST THREE POLICIES THAT WE CHANGED WERE IN THE WATER UTILITY SECTION. WE CLARIFIED THE POLICY ON SHORT-TERM DEBT AS TO WHEN THAT DEBT CAN BE CONVERTED TO REFUNDING BONDS AND THAT WILL BE DONE WHEN IT'S APPROPRIATE TO DO SO UNDER ECONOMIC AND BUSINESS CONDITIONS. WE FURTHER CLARIFIED THE POLICY ON SHORT-TERM DEBT IN POLICY NUMBER 7 THAT DEALS SPECIFICALLY WITH COMMERCIAL PAPER. WE PROVIDED A FURTHER CLARIFICATION ON THE USE OF COMMERCIAL PAPER IN THE DESIRED DEVELOPMENT ZONE WHERE THAT -- WHERE WE CAN USE COMMERCIAL PAPER FOR NEW PLANTS, FOR CAPITAL EXPANSIONS AND GROWTH-RELATED PROJECTS AS WELL AS ROUTINE CAPITAL IMPROVEMENTS. BUT ONLY FOR THOSE THAT -- THOSE THAT ARE LOCATED IN THE DESIRED DEVELOPMENT ZONE. WE ALSO CLARIFIED FINANCIAL POLICY NUMBER 8 THAT DEALS WITH VOTER APPROVED REVENUE BONDS TO MAKE IT CLEAR THAT IN THE DRINKING WATER PROTECTION ZONE WE REQUIRE VOTER APPROVAL OF REVENUE BONDS FOR THOSE NEW PLANTS, THOSE NEW TYPES OF PROJECTS THAT I MENTIONED ABOVE, NEW WATER AND WASTEWATER TREATMENT PLANTS, CAPITAL EXPANSIONS AND GROWTH-RELATED PROJECTS. BUT IN THE DESIRED DEVELOPMENT ZONE, WE DO NOT REQUIRE VOTER APPROVAL FOR THOSE TYPES. OF PROJECTS. THOSE ARE ESSENTIALLY THE CHANGES TO THE FINANCIAL POLICIES PROPOSED THIS YEAR.

Mayor Wynn: THANK YOU, MR. STEVENS. COMMENTS? QUESTIONS, COUNCIL? I WANT TO THANK MY COLLEAGUES ON THE AUDIT AND FINANCE COMMITTEE FOR HAVING US REVIEW THIS EARLIER IN THE -- LATE LAST MONTH. SO HEARING NO COMMENTS, I'LL ENTERTAIN A MOTION TO ADOPT E-1, AMENDING THE FINAL OPERATING BUDGET BY ADOPTING THE FINANCIAL POLICIES AS AMENDED. MOTION MADE BY COUNCILMEMBER DUNKERLEY SECONDED BY THE MAYOR PRO TEM TO ADOPT E-1 FINANCIAL POLICIES INTO IF THE MAIN MOTION. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. SO COUNCIL, THAT NOW TAKES US BACK

TO THE MAIN MOTION OF THE OPERATING BUDGET. I BELIEVE, MS. BROWN, WE HAD A MOTION BY COUNCILMEMBER SLUSHER AND SECONDED BY COUNCILMEMBER ALVAREZ TO APPROVE THE MAIN MOTION WHICH IS TO ADOPT THE NOW AMENDED OPERATING BUDGET ON THREE READINGS. FURTHER COMMENTS, QUESTIONS? AGAIN, AFTER WE APPROVE THIS OPERATING BUDGET, WE STILL TAKE UP THE CAPITAL BUDGET, TAX RATES, FINES, FEES AND OTHER THINGS. WE HAVE A MOTION AND SECOND ON THE TABLE TO APPROVE THE AMENDED OPERATING BUDGET ON ALL THREE READINGS. HEARING NONE, ALL IN FAVOR SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. COUNCIL, THAT NOW TAKES US TO ITEM NUMBER 2 ON THE AGENDA WHICH IS THE CAPITAL BUDGET. PERHAPS A QUICK INTRODUCTION, MR. GARZA.

ITEM NUMBER 2, COUNCIL, IS THE GENERAL -- YOU SEE THERE BEFORE YOU A IS THE GENERAL ORDINANCE TO APPROVE THE CAPITAL BUDGET AS SUBMITTED IN THE PROPOSED BUDGET DOCUMENTS.

Mayor Wynn: GREAT. SO AGAIN, WE'LL TAKE A MOTION AND A SECOND, BUT THEN WE'LL GO THROUGH, WE HAVE THREE PROPOSED AMENDMENTS THAT SHOW AS B-1, 2 AND 3. I'LL ENTERTAIN A MAIN MOTION TO ADOPT A CAPITAL BUDGET AS PROPOSED INCLUDING THE ERRATA. MOTION MADE BY MAYOR MAYOR PRO TEM, SECONDED BY COUNCILMEMBER THOMAS TO ADOPT THE CAPITAL BUDGET INCLUDING THE ERRATA ON ALL THREE READINGS. NOW LET'S GO TO THE AMENDMENTS, ITEMS B-1, 2 AND 3. B-1, AMEND THE CAPITAL AMENDMENT EXPENDITURES AND TRANSFER TO REFLECT THE AMENDMENTS APPROVED IN THE OPERATING BUDGET. MR. GARZA.

MAYOR AND COUNCIL, ITEM NUMBER 1 ALLOWS US, AGAIN, TO MAKE ANY AMENDMENTS TO THE CAPITAL BUDGET NECESSARY. EARLIER IN THE OPERATING BUDGET WE HAD ONE AMENDMENT TO THE CAPITAL BUDGET DUE TO THE TURNER-ROBERTS RECREATION CENTER. THIS ITEM ALLOWS US TO MAKE THAT ADJUSTMENT WITHOUT HAVING TO LIST EVERY SINGLE ITEM.

Mayor Wynn: THANK YOU, MR. GARZA. QUESTIONS, COUNCIL?

IF NOT, WE'LL GO TO AMENDMENT B-2, IMPROVE AMENDMENT TO IMPROVE THE C.I.P. BUDGET FOR THE SOLID WASTE SERVICES DEPARTMENT IN THE AMOUNT OF \$8,489,556 FOR THE MAYBE HE WILL DAVIS PROJECT FOR A TOTAL BUDGET OF \$10,208,556. THIS IS RELATED TO ITEM NUMBER 17 ON TODAY'S AGENDA.

MAYOR, ITEM NUMBER 17 WHICH YOU WILL TAKE UP LATER IS THE AWARD OF A CONTRACT TO REMEDIATE MAYBE HE WILL DAVIS PARK. WE WANTED TO BRING THESE TWO ITEMS TOGETHER SO WE CAN GET THIS PROJECT STARTED AS SOON AS POSSIBLE. WE HAD IN FACT SCHEDULED A CONSTRUCTION CONTRACT FROM THE COUNCIL ON SEPTEMBER 2, BUT THAT WOULD HAVE AMENDED THE '04 C.I.P. BUDGET AND OUR DECISION WAS RATHER INCLUDE THIS IN THE '05 BUDGET WHICH IS WHY WE NEED THE AMENDMENT HERE AND ITEM NUMBER 17 WILL BE THE AWARD OF THE ACTUAL REMEDIATION CONTRACT FOR THE PARK.

Mayor Wynn: THANK YOU, MR. STEVENS. QUESTIONS, COMMENTS, COUNCIL? IF NOT, WE'LL MOVE ON TO AMENDMENT B- 3 WHICH IS INCREASE THE PROPOSED KREUP PWEUPBLGT FOR THE PARKS AND RECREATION GOLF FUND IN THE AMOUNT OF \$860,000 FOR PURCHASE OF EQUIPMENT FOR A TOTAL BUDGET AMOUNT OF \$1,060,000.

MAYOR AND COUNCIL, WHAT THIS ITEM DOES IS ALLOWS US TO TAKE ADVANTAGE OF AN OPPORTUNITY THAT WILL RESULT IN SIGNIFICANT SAVINGS TO THE GOLF FUND. WE CURRENTLY LEASE ALL OF OUR GROUND MAINTENANCE EQUIPMENT. THIS ITEM ALLOWS US TO INCREASE OUR APPROPRIATIONS SO WE CAN PROCEED WITH THE PURCHASE AND IF THIS ITEM IS APPROVED WE WILL HAVE AN ITEM ON THE SEPTEMBER 30th AGENDA. BASICALLY OVER A SIX-YEAR PERIOD WHAT THIS MEANS IS A SAVINGS OF APPROXIMATELY \$700,000. AGAIN, THIS IS FOR GROUND MAINTENANCE EQUIPMENT, MAD MOWERS, TOP DRESSERS AND OTHER TYPES OF GROUND MAINTENANCE EQUIPMENT.

Mayor Wynn: THANK YOU, MR. GARZA. QUESTIONS OF STAFF, COUNCIL, COMMENTS? IF NOT, THEN, I WILL ENTERTAIN A MOTION TO ADOPT AMENDMENTS B-1, 2 AND 3 INTO THE

MAIN MOTION OF THE CAPITAL BUDGET.

SO MOVED.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER ALVAREZ.

Thomas: SECOND.

Mayor Wynn: SECONDED BY COUNCILM4 AMENDMENTS B-1, 2 AND 3 INTO OUR MAIN MOTION. FURTHER DISCUSSION? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION TO AMEND PASSES ON A VOTE OF 7-0. THAT TAKES US BACK TO THE MAIN MOTION WHICH IS TO ADOPT ON THREE READINGS THE CAPITAL BUDGET AS AMENDED INCLUDING THE ERRATA. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. THAT WAS OUR CAPITAL BUDGET ON THREE READINGS. COUNCIL, THAT NOW TAKES US TO ITEM 3 WHICH IS THE ADOPTION OF THE AD VALOREM TAX RATE.

MAYOR AND COUNCIL, ITEM NUMBER 3, AS YOU SAID, IS THE ITEM TO APPROVE THE EFFECTIVE TAX RATE AT .5065. IT IS RELATED BASICALLY TO ITEM NUMBER 4 WHICH IS FOLLOWING. AT THAT POINT WE'LL MAKE THE ADJUSTMENT IN THE EFFECTIVE TAX RATE OF 5065 AS AN INCREASE OF .0137 FROM THE CURRENT EFFECTIVE TAX RATE OF 41928.

Mayor Wynn: MR. GARZA, IF I DO MY MATH CORRECTLY, BY ADOPTING THIS TAX RATE, AS YOU MENTIONED, TO GO FROM .4928, THIS YEAR'S EFFECTIVE TAX RATE THAT WE ADOPTED, TO .5065 PER \$100 VALUATION, TECHNICALLY JUST -- THAT'S AN INCREASE OF 2.78% AS A PERCENTAGE OF THE RATE INCREASE. BUT AGAIN, THIS IS THE MATHEMATICAL CALCULATION OF THE EFFECTIVE TAX RATE BASED ON THE EXISTING ASSESSED VALUATION TAX ROLL.

THAT'S CORRECT, MAYOR.

Mayor Wynn: THANK YOU.

> SLUSHER: MAYOR, JUST FOR THE RECORD, IF THEY COULD

EXPLAIN THE EFFECTIVE TAX RATE.

IT'S ESSENTIALLY THE TAX RATE THAT ALLOWS US TO BRING IN THE SAME AMOUNT\$V2z REVENUE THAT WE HAD IN THE PRIOR YEAR WHEN LOOKING AT THE SAME ASSESSED VALUE THAT WAS ON THE ROLLS. AND SO IT'S A TOOL THAT CITIES CAN USE SO THAT WHEN VALUATIONS GO DOWN, WE CAN MAINTAIN THE SAME REVENUE STREAM, AND WHEN -- CORRESPONDINGLY WHEN VALUATIONS GO UP, WE CAN ALSO REDUCE OUR TAX RATE. IF YOU GO BACK 10 OR 12 YEARS, THE CITY'S TAX RATE WAS AS HIGH AS ABOUT .60 AND IS CURRENTLY AGAIN PROPOSED AT THE EFFECTIVE RATE THIS YEAR AT .5065.

Slusher: THANK YOU, MR. STEVENS.

Mayor Wynn: THANK YOU, COUNCILMEMBER. AGAIN, AFTER WE ADOPT HOPEFULLY THIS EFFECTIVE AD VALOREM TAX RATE, ITEM NUMBER 4, WE'RE GOING TO GO BACK AND AMEND THAT TAX RATE TO COMPENSATE FOR THE NEW TRAVIS COUNTY HOSPITAL DISTRICT. WE'RE ABOUT TO HAVE A SIGNIFICANT DECREASE IN THE CITY'S OVERALL AD VALOREM TAX RATE. FURTHER QUESTIONS OR COMMENTS OF STAFF ON ITEM NUMBER 3, WHICH IS THE ADOPTION OF THE AD VALOREM TAX RATE, THE PROPOSED RATE OF 0.5065 PER \$100 IN VALUATION. HEARING NONE, I'LL ENTERTAIN A MOTION. MOTION MADE BY THE MAYOR PRO TEM. SECONDED BY COUNCILMEMBER DUNKERLEY TO APPROVE ON THREE READINGS THE PROPOSED TAX RATE. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? POSITION PASSES ON A A -- MOTION PASSES 7-0. THAT TAKES US TO ITEM 4 WHICH WAS TO NOW AMEND THAT VERY AD VALOREM TAX RATE. MR. STEVENS.

AGAIN, ITEM NUMBER 4, MAYOR, IS TO REDUCE THE EFFECTIVE TAX RATE OF 5065 BY 6.35 CENTS WHICH IS THE RATE THAT WILL TRANSFER ON THE CITY'S PART TO THE HOSPITAL DISTRICT. AND WILL THEN TAKE OUR RATE DOWN TO .4430. THAT WILL BE THE TOTAL CITY TAX RATE PROPOSED FOR '05.

Mayor Wynn: AGAIN, FOR THOSE OF YOU FOLLOWING THE BOX SCORE AT HOME, SO JUST OUR PREVIOUS VOTE WE

TOOK OUR EFFECTIVE TAX RATE FROM .4928 TO .5065, SO WE INCREASED TO THE EFFECTIVE TAX RATE. THE NET IS AN INCREASE OF 2.78%. WE NOW WITH THIS PROPOSED REDUCTION OF .0635 CENTS, WE NOW WILL BE REDUCING THAT VERY AD VALOREM TAX RATE BY 12.54%. AGAIN, ALL IN ACCORDANCE WITH THE PROPOSED TRAVIS COUNTY HOSPITAL DISTRICT. FURTHER COMMENTS OR QUESTIONS? IF NOT, I'LL ENTERTAIN A MOTION TO AMEND THE PROPERTY TAX RATE.

Slusher: SO MOVED.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER SLUSHER. SECONDED BY COUNCILMEMBER ALVAREZ TO ADOPT ON THREE READINGS THIS NEW AMEND AD VALOREM TAX RATE OF \$0.4430 PER \$100 IN VALUATION. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. OKAY, WE NOW HAVE A NEW AD VALOREM TAX RATE IN THE CITY. WE'LL MOVE ON TO ITEM 5 WHICH ARE THE FINES, FEES AND OTHER CHARGES. MR. GARZA.

MAYOR AND COUNCIL, ITEM NUMBER 5 IS REQUESTING APPROVAL FOR THE FINES AND FEES INCLUDED IN THE PROPOSED BUDGET FEE SCHEDULE.

Mayor Wynn: OKAY, AND AGAIN, MAKE SURE I'M DOING THIS CORRECTLY RUDY, LOOKS LIKE WE'LL HAVE A MAIN MOTION ON THE OVERALL FINES, FEES AND OTHER CHARGES INCLUDING THE ERRATA, AND THEN WE HAVE ONE POTENTIAL AMENDMENT THAT SHOWS AS ITEM NUMBER B-1.

THAT'S CORRECT, MAYOR.

Mayor Wynn: COUNCIL, I'LL ENTERTAIN A MOTION MOTION TO ADOPT THE CITY OF AUSTIN FINES, FEES AND OTHER CHARGES INCLUDING THE ERRATA.

Goodman: SO MOVED.

Mayor Wynn: MOTION MADE BY MAYOR PRO TEM. SECONDED BY COUNCILMEMBER ALVAREZ TO ADOPT ON THREE READINGS THE CITY OF AUSTIN'S FINES, FEES AND OTHER

CHARGES INCLUDING THE ERRATA. WE'LL NOW GO TO POTENTIAL AMENDMENTS UNDER B, ONE ITEM, AND IT READS: AMEND THE AVIATION DEPARTMENT OFF-AIRPORT PERMIT FEE FOR PARKING SERVICES BY REDUCING THE FEE BASED ON PERCENTAGE OF GROSS REVENUE FROM 10% TO 4% AND DIRECTING THE CITY MANAGER TO INCREASE THIS FEE BY 3% IN FISCAL YEAR '06 PROPOSED BUDGET, PROVIDING THE EFFECTIVE VENDORS HAVE A 10% INCREASE IN THEIR GROSS REVENUE, AND TO INCREASE THIS FEE BY 2% IN FISCAL YEAR '07s PROPOSED BUDGET, AGAIN PROVIDING THE EFFECTIVE VENDORS HAVE A 5% INCREASE IN THEIR GROSS REVENUES. EXPLANATION, MR. STEVENS.

MAYOR, AGAIN IN THE PROPOSED BUDGET WE SUBMITTED A 10% GROSS REVENUE FEE FOR THE OFF-SITE PARKING SERVICES OUT AT THE AIRPORT. THIS PROPOSED 10% WAS NOT OUT OF LINE WITH OTHER GROSS REVENUE FEES THAT WE SAW IN AIRPORTS OF SIMILAR SIZE AND NOT SIGNIFICANTLY OUT OF LINE WITH FEES THAT ARE BEING PAID AT OTHER TEXAS AIRPORTS. FOR EXAMPLE, SAN ANTONIO CHARGES 8%. EL PASO CHARGES 7. AND BOTH OF THE AIRPORTS, HOBBY AND INTER CONNELL IN HOUSTON CHARGE 6%. HOWEVER, RATHER THAN GO UP TO A 10% RATE ALL IN ONE YEAR, WE ARE PROPOSING AN AMENDMENT UNDER WHICH WE WOULD GO TO A 4% RATE IN '05 AND THEN WE WOULD GO TO A 7% RATE IN '06 AND A 9% RATE AND WE WOULD STOP THERE AT A TOTAL OF 9% IN FISCAL YEAR '07. AWFUL THAT ATTENDANT ON THE REVENUE INCREASES -- CONTINGENT IN THE REVENUE AS SEEN IN THE PARKING OUT THERE AS READ IN THE MOTION.

Mayor Wynn: COUNCILMEMBER DUNKERLEY.

Dunkerley: I WOULD LIKE TO PROPOSE WHAT I HOPE WOULD BE A FRIENDLY AMENDMENT. WHEN WE LOOK AT THESE FEES, I THINK AUSTIN HAS BEEN PARTICULARLY HARD HIT ON ALL OF THE AIRPORT CONCESSIONS BOTH IN AND OUT OF THE AIRPORT BECAUSE OF THE SEVERE DOWNTURN IN THE TECHNOLOGY SECTOR OF OUR ECONOMY. SO I THINK WE'RE A LITTLE BIT DIFFERENT THAN OTHER TEXAS CITIES. I LIKE THE IDEA OF TYING FUTURE RATE INCREASES TO A GROWTH IN THE GROSS REVENUE, BUT I THINK IT'S TIME TO TAKE A LITTLE LOOK AT WHAT THE GROSS REVENUE HAS TO

PAY. GROSS REVENUE IS THE AMOUNT OF FUNDS THAT COME IN BEFORE ANY DEDUCTIONS. SO INCREASE IN FEE WOULD COME OUT OF THAT. AND ANY INCREASE IN COST, EITHER RELATED TO INFLATION OR RELATED TO NEW EXPENDITURES ASSOCIATED WITH HIRING MORE PEOPLE AS THEIR ACTIVITY GETS HIGHER. SO, FOR EXAMPLE, THE 10% TRIGGER, THAT 10% YOU COULD DEDUCT THE 3% OF THIS FEE AND YOU WOULD HAVE ENOUGH ROOM THERE TO COVER ANY INFLATIONARY INCREASES, ANY ADDITIONAL STAFF THAT WOULD BE NEEDED. MY CONCERN IS WITH THE NEXT TRIGGER. WHEN YOU GO TO 2%, YOU ONLY REALLY HAVE A 3% GAP THERE. AND SINCE THAT'S GOING TO BE FURTHER OUT, I THINK THE INCREASE IN INFLATION MIGHT REALLY HAVE AN IMPACT THERE. SO MY MOTION WOULD BE TO LEAVE IT EXACTLY LIKE IT IS AND TO CHANGE THE 5% TRIGGER TO 8%. I THINK THAT WOULD PROBABLY BE ENOUGH TO COVER THE INFLATION AND ANY ADDITIONAL COSTS THAT THE VENDORS WOULD HAVE TO ADD TO ADDRESS THEIR INCREASE IN ACTIVITY. SO THAT'S MY PROPOSAL.

Mayor Wynn: WELL, IN FACT WE CAN CONSIDER THAT THE ACTUAL MOTION ON B-1. MOTION MADE BY COUNCILMEMBER DUNKERLEY.

Goodman: SECOND.

Mayor Wynn: SECONDED BY BY MAYOR PRO TEM GOODMAN. [AUDIO DIFFICULTIES].

THAT WAS THE AIRPORT CALLING. [LAUGHTER]

Mayor Wynn: WE HAVE A PROPOSED AMENDMENT B-1, THIS IS AMENDMENT TO THE CITY OF AUSTIN FINES, FEES AND OTHER CHARGES AS THE MOTION EARLIER BY COUNCILMEMBER DUNKERLEY, SECONDED BY THE MAYOR PRO TEM. FURTHER COMMENTS? COUNCILMEMBER SLUSHER.

Slusher: MAYOR, I CAN'T SUPPORT THIS AMENDMENT. I DON'T KNOW IF THAT WAS A SIGN OR NOT, WASN'T A VERY PLEASANT SOUNDING ONE, BUT I CAN'T SUPPORT THIS AMENDMENT OR THE ONE THAT'S LISTED ON OUR AGENDA.

AS WE HEARD THE AMOUNT THAT WAS PROPOSED BY MR. SMITH IN THE BUDGET IS CONSISTENT WITH OTHER AIRPORTS AROUND THE COUNTRY, I THINK THESE PARKING LOTS COULDN'T OPERATE IF THE CITY OF AUSTIN DIDN'T HAVE AN AIRPORT HERE SO THEY ONLY ARE ABLE TO HAVE THAT BUSINESS BECAUSE OF THE AIRPORT BEING THERE. IF THE AIRPORT HAS FINANCIAL TROUBLE OR WERE TO GO OUT OF BUSINESS, THE PARKING LOTS, THERE WOULDN'T BE ANY REASON FOR ANYBODY TO PARK HERE, AND I REALLY THINK THAT WE MADE A MISTAKE IN NOT CHARGING THEM MORE THE FIRST TIME IN NOT ACCEPTING THE STAFF'S PROPOSAL THE FIRST TIME. SO I WOULD BE FOR WHAT WAS PROPOSED IN THE BUDGET. AND, YOU KNOW, WE'RE RENTING PARKING LOTS AND WE GOT TO THE POINT I DIDN'T VOTE FOR IT, BUT WE'RE RENTING OUT PARKING LOTS AT THE AIRPORTS FOR GO-CARTS. AND I THINK WHEN WE GOT AROUND THE SAME AMOUNT OF MONEY PREDICTED OUT OF THAT AS WE'RE LOSING BY MAKING THIS AMENDMENT.

Mayor Wynn: THANK YOU, COUNCILMEMBER. FURTHER COMMENTS? COUNCILMEMBER ALVAREZ.

Alvarez: THANKS, MAYOR, AND I CAN'T SUPPORT THE AMENDMENT AND I THINK PROBABLY GOING DOWN TO 4% WAS A LITTLE FURTHER THAN I WOULD LIKE TO HAVE GONE, ALTHOUGH I THINK I COULD SUPPORT WHAT'S ON THE MOTION SHEET, BUT -- BECAUSE, AGAIN, WE WERE STARTING AT 10%, AND THEN WE KNOCKED IT DOWN TO 4% CERTAINLY HAS A SIGNIFICANT BUDGET IMPACT. AND SO I THINK IT SHOULD HAVE BEEN A LITTLE CLOSER TO 10 THAN 4%. AND THEN NOW WITH COUNCILMEMBER DUNKERLEY'S MOTION, I THINK WE'RE EVEN FURTHER DILUTING THE -- FURTHER LIMITING THE REVENUE IMPACT THAT THIS COULD HAVE FOR THE AIRPORT. AND I WHOLEHEARTEDLY AGREE WITH THAT COUNCILMEMBER SLUSHER SAID ABOUT THE FACT THAT THESE BUSINESSES COULDN'T OPERATE IF IT WASN'T FOR THE SERVICES THE CITY IS PROVIDING HERE AT BERGSTROM AIRPORT. SO I CAN'T SUPPORT THE MOTION ON THE TABLE. YOU KNOW, I COULD SUPPORT WHAT'S ON -- YOU KNOW, LISTED ON HERE.

Mayor Wynn: THANK YOU, COUNCILMEMBER. FURTHER

COMMENTS? MAYOR PRO TEM.

Goodman: EVEN THOUGH WE'VE LAID OUT A PROJECTED PLAN HERE, COUNCIL WILL NEED TO VOTE ON THIS WITH FEES AND RATES EACH BUDGET CYCLE, AND SO IF YOU CAN'T AGREE ON THE 4% FOR THE INITIAL COST TO THOSE LOTS, THEN YOU HAVE OPPORTUNITY FOR OTHER ACTIONS. BUT IF IT'S THE PHILOSOPHY AND YOU DISAGREE WITH HAVING IT LAID OUT, THEN I UNDERSTAND, BUT I JUST WANTED TO REMIND COUNCIL THAT WHOEVER SITS HERE NEXT BUDGET YEAR WILL BE VOTING ON THIS.

Mayor Wynn: CORRECT. THANK YOU, MAYOR PRO TEM. AND I WILL SAY THIS IS NOT UNLIKE WHAT THE CITY MANAGER, OUR CURRENT PRACTICE ON, SAY, OUR UTILITY RATES, AND THAT IS TECHNICALLY WE ONLY VOTE ON THIS RATE FOR THIS YEAR, BUT IT'S A WAY TO SORT OF HAVE A PROJECTION TO ALLOW, IN THIS CASE, PARKING VENDORS THE OPPORTUNITY TO SEE AT LEAST TODAY WHAT THE PROGNOSIS IS BY THIS COUNCIL, RECOGNIZING THAT WE CAN'T AND WON'T, YOU KNOW, VOTE ON FUTURE YEARS' FEES. THAT'S UP TO NEXT YEAR'S COUNCIL TO DO THAT. AGAIN, WE HAVE A MOTION BY COUNCILMEMBER DUNKERLEY, SECONDED BY THE MAYOR PRO TEM TO ADOPT NOW AMENDED AMENDMENT B-1 INTO THE AUSTIN FINES, FEES AND OTHER CHARGES. FURTHER COMMENTS? COUNCILMEMBER THOMAS.

Thomas: IF I CAN GET COUNCILMEMBER DUNKERLEY TO EXPLAIN THAT JUST A LITTLE BIT MORE DETAIL, THE PERCENTAGE AGAIN. I DIDN'T CATCH THAT.

Dunkerley: ALL RIGHT. WHAT I WAS TRYING TO DO IS TO COME UP WITH A TRIGGER FOR THE FUTURE RATE INCREASES THAT WOULD ALLOW THE VENDORS TO SORT OF PLAN FOR THEIR FUTURE, BUT AT THE SAME TIME BE ABLE TO COVER ANY FUTURE COSTS. IN OTHER WORDS, WE'VE BEEN REALLY HARD HIT AT OUR AIRPORT BECAUSE AUSTIN HAD A REALLY CONSOLIDATION OF HIGH-TECH PEOPLE. SO SOME OF THESE VENDORS WENT OUT OF BUSINESS DURING THIS DOWNTURN. MY POINT IS THE FIRST TRIGGER WOULD BE A 10% INCREASE. SO WHENEVER THAT VENDOR HAS A 10% INCREASE IN HIS GROSS PARKING REVENUES, IT WOULD GO

UP ANOTHER 3%. THAT 10% GIVES HIM ENOUGH SPACE TO COVER THE 3% INCREASE AND HAVE 7% TO DEAL WITH INFLATIONARY COSTS AS WELL AS THE COST OF ADDING ADDITIONAL EMPLOYEES FOR THE NEW ACTIVITY AT THE SITE. THE SECOND INCREASE WOULD THEN BE TRIGGERED BY ANOTHER REVENUE INCREASE, AND THEY ARE PROPOSING HERE 5%. I THINK 5% IS TOO SMALL BECAUSE IF YOU HAVE A 2% INCREASE, YOU ONLY HAVE A 3% NET GROWTH AND THAT'S GOING TO BE AT LEAST THREE YEARS OUT, AND SO I THINK YOUR INFLATIONARY COSTS AND YOUR ADDITIONAL COSTS FOR OPERATIONS WOULD MAKE THAT REALLY TOO TIGHT. AND SO MY PROPOSAL IS TO GET THAT SECOND TRIGGER UP TO 8%. WHEN THEIR REVENUE INCREASES 8%, THEN THE FEE WOULD GO UP THAT LAST 2%. SO YOU WOULD END UP WITH A 9% INCREASE AFTER THOSE APPROPRIATE TRIGGER POINTS. I THINK IF YOU WERE TO DO JUST A SET INCREASE LIKE FOUR, THREE, TWO AND THE MARKETS WENT DOWN, I THINK IT WOULD BE AN UNFAIR BURDEN ON THOSE COMPANIES. SO I THINK SETTING IT AND TRIGGERING IT BY THEIR OWN REVENUE INCREASES IS A SAFER WAY TO DO IT FOR THEM. DOES THAT HELP?

Thomas: JUST A FRACTION.

Dunkerley: I KNOW IT'S CONFUSING, BUT --

Mayor Wynn: COUNCILMEMBER ALVAREZ.

Alvarez: DO WE KNOW, SINCE REALLY THIS ISN'T LIKE OUR UTILITIES WHERE WE SAY THERE'S A FIVE-YEAR PLAN AND EVERY YEAR WE IMPLEMENT CERTAIN INCREASE, WE'RE SAYING WE COULD IMPLEMENT AN INCREASE IF THEY MAKE ENOUGH MONEY, BASICALLY SO HOW MUCH OF AN INCREASE HAVE THEY BEEN SEEING AT THESE PARKING FACILITIES? IS IT ON THE ORDER OF 10% OR IS IT MORE?

COUNCILMEMBER, I DON'T KNOW WHAT IT IS FOR THE CURRENT YEAR. I MEAN GIVEN THE ECONOMIC TURN-AROUND THAT WE'RE SEEING HERE IN THE AUSTIN AREA, WE DO EXPECT THE VENDORS TO HAVE AN INCREASE. AND UNDER THIS NEW PHOET METHOD WE ARE CURRENTLY CHARGING ON A PER-SPACE BASIS. BUT WHEN WE IMPLEMENT THIS 4% IN 2005, THEY WILL HAVE TO REPORT

WHAT THEIR GROSS REVENUES ARE TO US SO WE'LL KNOW AT THAT POINT.

Alvarez: BUT IF WE DON'T REACH THAT TRIGGER, THEN WE WILL BE CHARGING 4% THIS YEAR AND 4% NEXT YEAR, AT LEAST ACCORDING TO THIS SCHEDULE.

Dunkerley: IF I COULD ADD ONE THING, RIGHT NOW WHEN YOU LOOK AT THEIR REVENUE BASED ON THE SAME TYPE OF FORMULA THAT WE'RE PUTTING IN PLACE NOW, ONE OF THE VENDORS IS UNDER 2% AND THE OTHER IS RIGHT AT 2%. SO GOING TO 4% DOUBLES THEIR CURRENT PAYMENT. AND THEN I THINK THAT THESE TRIGGERS, IF THEY GROW ENOUGH, YOU KNOW, THEY COULD HIT THIS WITHIN 36 MONTHS, BE UP TO 9%. AND IF THEY DON'T, THIS ALLOWS THEM SOME LEEWAY TO STAY IN BUSINESS AND TO WAIT FOR THAT NEXT AND FINAL APPLICATION OF THESE RATES UNTIL THEIR REVENUE CAN SUSTAIN IT.

Mayor Wynn: AGAIN, COUNCIL, TECHNICALLY WHAT WE'RE DOING, IF THIS AMENDMENT WERE TO PASS, IS TO REDUCING THE GROSS REVENUE FROM 10% TO 4% AND WE'RE SIMPLY DIRECTING THE CITY MANAGER TO ESSENTIALLY PUT INTO HER PROPOSED BUDGET NEXT YEAR THIS OTHER INCREASE AND THEN IT WILL BE PURSUANT UPON THOSE PARKING COMPANIES BUSINESSES INCREASING. NEXT YEAR AT THIS TIME THE CITY COUNCIL WILL VOTE ON THAT PART OF THIS POTENTIAL AMENDMENT. SO IT'S SLIGHTLY MISLEADING. WE'RE SORT OF DEBATING THE PERCENTAGE FOR TWO YEARS FROM NOW AND WE'RE DEBATING WHETHER WE WOULD DO ANOTHER SEVERAL PERCENTAGE POINTS NEXT YEAR, BUT THAT VOTE WILL OCCUR NEXT YEAR. TECHNICALLY -- SO THE -- IF NEED BE, WE WOULD BIFURCATE THIS, I PRESUME, BUT I THINK IT'S GOOD PRACTICE AND FOLLOWS THE TREND OUR MANAGER HAS BEEN DOING WITH UTILITIES TO TELEGRAPH, TO SHOW THESE AFFECTED PEOPLE, IN THIS CASE THE PARKING LOT OPERATORS, WHAT THE INTENT IS WITH THIS, FRANKLY, THE REDUCTION FROM THE PROPOSED 10% TO 4. IF THIS MOTION DOES PASS AND WE END UP AMENDING THE CITY OF AUSTIN'S FINES, FEES AND OTHER CHARGES, WE WILL THEN ACTUALLY TECHNICALLY GO BACK AND AMEND THE -- RECONSIDER AND AMEND THE OPERATING BUDGET FOR THE

AVIATION DEPARTMENT BY THE \$97,000 REDUCTION THAT THIS 10% DOWN TO 4% REDUCTION IN FEES WOULD ENTAIL. AGAIN, WE HAVE A MOTION AND A SECOND ON THE TABLE TO ADOPT AMENDMENT B-1 AS AMENDED THAT IN THIS FIRST YEAR WILL REDUCE THE PERCENTAGE FEE FROM 10% TO 4% OF GROSS REVENUE, AND THEN WE'LL DIRECT CITY MANAGER TO PLACE IN NEXT YEAR'S PROPOSED BUDGET AN INCREASE. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 4 TO 3. WITH COUNCILMEMBERS THOMAS, ALVAREZ AND SLUSHER VOTING NO. IS THAT RIGHT? A QUICK QUESTION TO OUR ATTORNEY. THIS AMENDMENT PASSED ON A VOTE OF 4 TO 3. THE MAIN MOTION IS FOR THESE TO BE CONSIDERED ON ALL THREE READINGS. DOES AN AMENDMENT HAVE TO -- ULTIMATELY THE MAIN MOTION THESE PASS I PRESUME BY FIVE VOTES IN ORDER FOR THIS TO BE HEARD ON ALL THREE READINGS.

THAT'S CORRECT. THE AMENDMENT IS EFFECTIVE WITH ONLY A SIMPLE MAJORITY, BUT TO AVOID THE REQUIREMENT OF OUR CITY CODE THAT ORDINANCES BE READ ON THREE SEPARATE READINGS, YOU NEED A FIVE VOTE.

Goodman: AND SO, MAYOR, IF I COULD ADD TO THAT.

Mayor Wynn: MAYOR PRO TEM.

Goodman: IT MEANS IF WE DON'T GET THE FIVE VOTES ON THE MAIN MOTION THAT WE WILL BE SEEING EACH OTHER AGAIN TOMORROW AND PERHAPS THE NEXT DAY. IN THIS ROOM AT 10:00. [LAUGHTER]

Mayor Wynn: THANK YOU, MAYOR PRO TEM FOR THE ADVOCACY. COUNCILMEMBER SLUSHER.

Slusher: THAT IS PRETTY PERSUASIVE. [LAUGHTER]

ACTUALLY, IT'S MADE ME RECONSIDER.

Slusher: IS THAT WHAT YOU SAID, MR. CITY ATTORNEY, THAT IT HAS TO BE BOTH THE AMENDMENTS AND THE MAIN MOTION HAVE TO BE BY FIVE?

NO, THE AMENDMENT, WHICH IS AMENDING THE MAIN MOTION, PASSES BY A SIMPLE MAJORITY. BUT THE MAIN MOTION RELATED TO APPROVING ON ALL THREE READINGS, AND UNDER OUR CITY CODE TO APPROVE AT ONE MEETING ON ALL THREE READINGS IT TAKES FIVE VOTES.

Slusher: SO THE FACT THAT THIS ONE ONLY PASSED ON 4-3 AND NOW GOES INTO THE MAIN MOTION, AS LONG AS THE MAIN MOTIONS PASSES WITH FIVE OR MORE VOTES, THEN WE'RE DONE TODAY.

THAT'S CORRECT.

Slusher: OKAY.

Mayor Wynn: AN ADDITIONAL PLEA. COUNCIL, WE NOW GO BACK TO THE MAIN MOTION WHICH IS TO ADOPT THE AMENDED CITY OF AUSTIN FINES, FEES AND OTHER CHARGES INCLUDING THE ERRATA ON ALL THEE READINGS. - THREE READINGS. COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. COUNCIL, SINCE THAT AMENDMENT PASSED, WE NOW NEED TO RECONSIDER THE MAIN MOTION OF THE OPERATING BUDGET FOR THE AVIATION DEPARTMENT BY REDUCING THE REVENUE IN THE AMOUNT OF \$97,423.

Slusher: MAYOR, I'M SORRY, WOULD YOU SHOW ME VOTING NO ON B-9. THE DECREASE IN REVENUE.

Mayor Wynn: YES, WELL, WE HAVEN'T TAKEN IT UP YET.

Reporter: WHAT DID WE JUST VOTE ON?

Mayor Wynn: ITEM 5, A, WHICH IS THE MAIN MOTION.

AND THAT IS REALLY THE FEE ORDINANCE BASICALLY.

Slusher: OKAY. NO, I WANT TO VOTE YES ON THAT.

Mayor Wynn: THANK YOU. NOW, HOWEVER, SINCE THAT AMENDED CITY OF AUSTIN FINES, FEES AND OTHER CHARGES PASSED, WE NOW NEED TO GO BACK AND RECONSIDER THE MAIN MOTION OF THE OPERATING

BUDGET OF THE AVIATION DEPARTMENT BY REDUCING THE REVENUE IN THE AMOUNT OF \$97,423. SO I'LL ENTERTAIN THAT MOTION.

Goodman: SO MOVED.

Mayor Wynn: MOTION MADE BY MAYOR PRO TEM, SEBGED BY COUNCILMEMBER DUNKERLEY TO RECONSIDER THE MAIN MOTION AND THEREFORE AMEND THE PROPOSED BUDGET OF THE AVIATION DEPARTMENT, AGAIN, BY DECREASING REVENUE IN THE AMOUNT OF \$97,423 FOR THE REDUCTION TO THE FISCAL YEAR '05 PROPOSED OFF-AIRPORT PERMIT FEE FOR PARKING AND SERVICES.

Alvarez: MAYOR?

Mayor Wynn: COUNCILMEMBER ALVAREZ.

Alvarez: I WANT TO MAKE SURE THAT I WAS ON THE RECORD AS AGAINST, YOU KNOW, THAT B-1 AMENDMENT. I AM GOING TO GO AHEAD AND SUPPORT THIS BECAUSE OBVIOUSLY IT'S CLEAR THAT THE MAJORITY OF THE COUNCIL WILL APPROVE IT AND I DON'T SEE THERE'S A NEED FOR US TO TIE UP ALL OF THE CITY RESOURCES FOR A COUPLE MORE DAYS IN ORDER TO HAVE THE EVENTUAL OUT COME.

Slusher: WHAT I UNDERSTAND IS THAT DOESN'T DO THAT. ONLY THE MAIN MOTION NEEDS TO PASS BY FIVE.

Alvarez: BUT THIS IS A SEPARATE MOTION, ISN'T IT?

Slusher: I WOULD AGREE WITH YOU WE SHOULDN'T TIE UP THE WHOLE CITY STAFF TO COME DOWN HERE AGAIN OR US. BECAUSE OF ONE VOTE. BUT WHAT I HEARD WAS THAT WASN'T THE CASE. MAYBE I'M HEARING IT WRONG.

THE AMENDMENT THAT IS ON THE SCRIPT AS B-1 ONLY HAD TO PASS BY A SIMPLE MAJORITY TO AFFECT THE MAIN MOTION. TO AVOID THE THREE SEPARATE READING REQUIREMENT OF OUR CODE, THEN THE MAIN MOTION IN SECTION A HAS TO PASS BY AT LEAST FIVE VOTES. AND I THINK IT DID.

Slusher: YEAH, IT JUST DID.

SPEAK TO --

THAT IS AMENDING THE OPERATING BUDGET, WHICH ITSELF IS AN ORDINANCE. SO TO AVOID -- OR GET AROUND THE THREE SEPARATE READINGS --

Slusher: THAT ONE WILL TAKE FIVE.

AT LEAST FIVE.

Goodman: THAT WAS THE FIRST MOTION WE TOOK ON THIS AGENDA. THE OPERATING BUDGET.

Mayor Wynn: RIGHT. SO ESSENTIALLY WE ARE NOW RECONSIDERING AND CHANGING A SMALL PIECE OF OUR VERY FIRST VOTE, OR THE MAIN MOTION WHICH IS THE ADOPTION OF THE OPERATING BUDGET. THIS IS ACTUALLY THE AIRPORT DEPARTMENT REVENUE WITHIN THAT MAIN OPERATING BUDGET. AGAIN, COUNCIL, WE HAVE A MOTION AND SECOND TO APPROVE -- TO RECONSIDER THE MAIN MOTION OF THE OPERATING BUDGET AND APPROVAL WHAT'S SHOWN AS 1-B 9, THE AMENDMENT TO THE AVIATION DEPARTMENT. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. THANK YOU. SO COUNCIL, THAT NOW TAKES US TO A COUPLE OF CIVIL SERVICE ITEMS, 6 AND 7. ITEM 6, I'LL ENTERTAIN A SUM RYE BY MR. GARZA.

MAYOR AND COUNCIL, ITEM 6 IS THE CLASSIFICATION ORDINANCE. YOU'VE ALREADY APPROVED THE F.T.E.S FOR THE FIRE DEPARTMENT. THIS SETS BY ORDINANCE THE ACTUAL CLASSIFICATION THAT IS INCLUDED IN THE PROPOSED BUDGET.

Mayor Wynn: THANK YOU, MR. GARZA. COUNCIL, I'LL ENTERTAIN A MOTION ON ITEM 6 THAT RELATES TO THE FIRE CIVIL SERVICE CLASSIFICATION ORDINANCE.

Thomas: MOVE APPROVAL.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER THOMAS.

SECONDED BY THE MAYOR PRO TEM TO APPROVE ITEM 6 ON THREE READINGS. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. ITEM 7 RELATES TO OUR POLICE CIVIL SERVICE CLASSIFICATION ORDINANCE. MR. GARZA.

MAYOR AND COUNCIL, ITEM NUMBER 7 IS THE POLICE DEPARTMENT'S CLASSIFICATION ORDINANCE. YOU'VE ALREADY APPROVED THEIR BUDGET AND YOU'VE ALSO APPROVED AN AMENDMENT SO THIS ITEM WILL ALSO HAVE A FOLLOWING AMENDMENT. 7-A BASICALLY IS THE ORDINANCE APPROVING WHAT'S IN THE CURRENT -- CURRENTLY IN THE PROPOSED BUDGET.

Mayor Wynn: SO COUNCIL, TO FOLLOW OUR PROCEDURE THEN, WHAT WE'LL DO IS I'LL ENTERTAIN A MAIN MOTION ON ITEM 7, WHICH IS A CIVIL SERVICE POLICE CLASSIFICATION ORDINANCE, RECOGNIZING THAT WE HAVE ONE AMENDMENT, B-1, THAT THEN CORRESPONDS TO THE EARLIER OPERATING BUDGET WE'VE ALREADY PASSED. SO I'LL ENTERTAIN A MOTION ON ITEM 7-A.

Thomas: SO MOVED.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER THOMAS. SECONDED BY THE MAYOR PRO TEM. TO APPROVE ON THREE READINGS ITEM 7-A, OUR POLICE CIVIL SERVICE CLASSIFICATION ORDINANCE. NOW, COUNCIL, LET'S TAKE UP THE POTENTIAL AMENDMENT, WHICH IS SHOWN AS B-1, WHICH IS TO AMEND THE CLASSIFICATION ORDINANCE BY INCREASING THE NUMBER OF LIEUTENANTS BY TWO AND THAT CORRESPONDS WITH THE EARLIER OPERATING BUDGET VOTE WE TOOK WHEREBY THE CITY MANAGER EXPLAINED THE REVENUE PROJECTIONS OF \$200,000 ON TRAFFIC VIOLATIONS, ESSENTIALLY, AND THEN THE INCREASE IN THESE TWO F.T.E.S. AND TWO LIEUTENANTS.

Alvarez: MOVE APPROVAL OF THAT AMENDMENT.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER ALVAREZ. SECONDED BY COUNCILMEMBER THOMAS TO APPROVE AMENDMENT B-1, THAT IS, INCREASING THE NUMBER OF

LIEUTENANTS BY TWO. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? SO AMENDMENT PASSES ON A VOTE OF 7-0. COUNCIL, THAT TAKES US BACK UP TO THE MAIN ITEM 7-A WHICH IS ADOPT THE POLICE NOW AMENDED CIVIL SERVICE CLASSIFICATION ORDINANCE. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. ITEM 8 RELATES TO THE CITY CLERK AND CITY AUDITOR. MR. GARZA.

MAYOR AND COUNCIL, AS YOU KNOW, THE CITY MANAGER'S PROPOSED BUDGET, ACTUALLY NOW APPROVED BUDGET, INCLUDES A PAY FOR PERFORMANCE INCREASE FOR THE GENERAL WORKFORCE. THIS ITEM ALLOWS US TO ALSO ADJUST THE SALARIES FOR THE COUNCIL APPOINTEES WHICH THE COUNCIL IS THE MANAGEMENT OF THOSE SALARIES.

Mayor Wynn: THANK YOU. SO WE'RE TAKING UP THE CITY CLERK AND CITY AUDITOR WITH ITEM 8 AND IT LOOKS LIKE ITEMS NUMBER 9 AND 10 DO THE SAME THING FOR OUR MUNICIPAL COURT CLERK AND THE -- ALL THE JUDGES, MUNICIPAL COURT JUDGES.

AND JUST A QUICK EXPLANATION, THE REASON YOU SEE THEM SEPARATED THIS WAY IS THEY ARE JUST CON STRUCTURES OF STATE LAW THAT REQUIRES SOME TO BE HAND BY ORDINANCE AND SOME CAN BE HANDLED BY ORDINANCE. THAT'S WHY THEY ARE -- RESOLUTION. THAT'S WHY THEY ARE SEPARATED INTO THE ITEMS THEY ARE.

Mayor Wynn: THANK YOU. SO COUNCIL, I'LL ENTERTAIN A MOTION ON ITEM NUMBER 8 RELATED TO THE SALARIES OF THE CITY CLERK AND CITY AUDITOR.

Thomas: MOVE APPROVAL, MAYOR.

Slusher: SECOND.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER THOMAS, SECONDED BY COUNCILMEMBER SLUSHER TO APPROVE ITEM 8-A, WHICH IS THE RESOLUTION PROVIDING FOR THE INCREASE FOR THE CITY CLERK AND AUDITOR IN THE

AMOUNT OF 3.5% EFFECTIVE WITH THE PAY PERIOD BEGINNING OCTOBER 3, 2004. FURTHER COMMENT? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. ITEM 9 RELATES TO THE PRESIDING JUDGE, DOWNTOWN AUSTIN COMMUNITY COURT JUDGE, THE ASSOCIATE JUDGES AND SUBSTITUTE JUDGES.

Goodman: MAYOR, SINCE THAT'S PRETTY SELF-EXPLANATORY CAN I JUST MAKE A MOTION TO APPROVE?

Mayor Wynn: THANK YOU, MAYOR PRO TEM. MOTION MADE BY MAYOR PRO TEM, SECONDED BY COUNCILMEMBER ALVAREZ TO APPROVE ITEM 9 ON THREE READINGS. ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION FAST ON A VOTE OF 7-0. -- PASSES.

Goodman: WOULD YOU MIND IF I DID THE SAME ON THE COURT CLERK?

Mayor Wynn: THANK YOU. MOTION ON ITEM 10, MOTION MADE BY MAYOR PRO TEM, SECONDED BY COUNCILMEMBER DUNKERLEY TO APPROVE ON THREE READINGS ITEM 10, THE SAME PAY RESOLUTION RELATED TO OUR MUNICIPAL COURT CLERK. ARE THERE COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF 7-0. ITEM 11, PERSONNEL POLICIES.

ITEM 11, MAYOR AND COUNCIL, THE APPROVAL OF THE PERSONNEL POLICIES, WE'VE GOT TWO CHANGES. THAT'S WHAT THE ITEM IS AMEND THOSE POLICIES. ONE IS TO ALLOW THE GENERAL WORKFORCE TO HAVE LEAVE ACCRUAL BALANCE OF UP TO 400 UP FROM THE CURRENT 336. IT ALSO ALLOWS US TO PROCEED WITH AN OPERATIONAL CHANGE IN THE FIRE DEPARTMENT WHEREBY OUR DIVISION CHIEFS ARE WORKING A SHIFT SCHEDULE RATHER THAN A REGULAR 40-HOUR WORK SCHEDULE.

Mayor Wynn: QUESTIONS OF STAFF, COUNCIL? COMMENTS? IF NOT, I'LL ENTERTAIN A MOTION TO APPROVE ITEM 11, PERSONNEL POLICIES.

Goodman: MOVE APPROVAL.

Mayor Wynn: MOTION MADE BY THE MAYOR PRO TEM.
SECONDED BY COUNCILMEMBER THOMAS.

Slusher: MAYOR, I WOULD JUST SAY MY UNDERSTANDING OF THIS ITEM, THE REASON WE'RE DOING IT IS BECAUSE ALL THE BUDGET CUTS IN PREVIOUS YEARS THAT EMPLOYEES ARE HAVING TO DOUBLE UP ON THEIR JOBS AND NOT AS ABLE TO TAKE VACATIONS AS FREQUENTLY AS THEY WOULD LIKE OR ALLOWED BY OUR POLICIES THROUGH ACCRUAL POLICY. THAT'S WHAT THAT'S ABOUT AND THAT'S THE CAUSE OF THAT.

I PROBABLY SHOULD HAVE GIVEN MORE OF AN EXPLANATION. JUST THE BOTTOM LINE IS WITH THE REDUCTION IN WORKFORCE, IT'S MADE IT MORE DIFFICULT FOR OUR MORE TENURED EMPLOYEES TO SCHEDULE VACATION BECAUSE OF FEWER RESOURCES TO BACKFILL AND COVER. OUR POLICY SAYS THAT AFTER THIS ACCRUAL RATE, EMPLOYEES LOSE THE VACATION THEY ARE ACCRUING. WHAT THIS DOES IS IT MOVES IT FROM 338 TO 336 TO 400 400 HOURS AND GIVES OUR EMPLOYEES A LITTLE MORE FLEXIBILITY, A LITTLE MORE TIME TO SCHEDULE THESE HOURS BEFORE THEY BEGIN TO LOSE THE HOURS THEY ACCRUE. IT IS VERY DEFINITELY A RESULT OF ALL THE DIFFERENT REDUCTIONS OVER THE LAST THREE YEARS.

Mayor Wynn: COUNCILMEMBER DUNKERLEY.

Dunkerley: CITY MANAGER, I DON'T BELIEVE THIS CHANGES THE AMOUNT OF ACCRUED HOURS THAT ARE PAID UPON RETIREMENT. IT JUST ALLOWS THEM TO ACCUMULATE THE HOURS IN HOPES OF BEING ABLE TO TAKE A SRAEU KAOEUGS YOU ARE EXACTLY RIGHT. THIS DOES NOT CHANGE PAYOUT, IT IS COST TPHAOU TALL, PURELY A LOGISTICAL AND OPERATIONAL MOVEMENT MAKING SURE OUR EMPLOYEES WHO ARE WORKING AND SCHEDULING -- ARE NOT LOSING VACATION TIME BECAUSE OF THE LACK OF ABILITY TO SCHEDULE VACATION HOURS.

Mayor Wynn: THANK YOU AGAIN. A MOTION AND SECOND IS

TO TABLE. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? ITEM 11 PASSES ON A VOTE OF 7-0. ITEM 12 IS THE RESOLUTION REGARDING THE CULTURAL CONTRACTS.

MAYOR AND MAYOR PRO TEM --

AND YOU SAW US ALL LOOK IMMEDIATELY AT ASSISTANT CITY MANAGER LAURA HUFFMAN.

ITEM 12 AS A AND B. PART A IS APPROVE THE RESOLUTION FOR THE ORIGINAL RECOMMENDATION FOR CULTURAL ARTS FUNDING, AND ITEM B INCLUDES A SUPPLEMENTAL FUNDING PROPOSAL THAT WOULD APPLY TO THAT ORIGINAL FUNDING RECOMMENDATION.

Mayor Wynn: OKAY, SO COUNCIL WILL FOLLOW THE SAME FORMAT. I'LL ENTERTAIN THE MAIN MOTION ON ITEM 12, APPROVE A RESOLUTION TO APPROVE THE CULTURAL ARTS SERVICE CONTRACTS IN THE AMOUNT OF \$2,557,552. MAIN MOTION. MOTION MADE BY COUNCILMEMBER ALVAREZ. SECONDED BY COUNCILMEMBER DUNKERLEY TO APPROVE THE MAIN MOTION ON ITEM 12. NOW, COUNCIL, LET'S TAKE UP POTENTIAL AMENDMENT B-1, WHICH READS: AMEND THE '05 CULTURAL ARTS CONTRACTUAL INDICATIONS TO REFLECT THE SUPPLEMENTAL FUNDING PROPOSAL IN EXHIBIT 12-B 1 AND TO PROVIDE FOR ADDITIONAL EXPENDITURES IN THE AMOUNT OF \$111,540 AS SHOWN IN SAME EXHIBIT. EXECUTION OF THE AUSTIN MUSIC NETWORK CONTRACT IS CONTINGENT UPON HAVING A QUALIFIED SPONSOR. COMMENTS? QUESTIONS? IF NOT, I'LL ENTERTAIN A MOTION ON THE AMENDMENT -- THE CONSIDERATION OF THE AMENDMENT B-1.

Alvarez: MAYOR, IF WE COULD AT LEAST KIND OF WALK THROUGH WHAT THE -- THAT SUPPLEMENTAL FORMULA IS AND SO THAT FOLKS KNOW WHAT -- YOU KNOW, HOW WE'RE AMENDING THE RECOMMENDATION FROM THE ARTS COMMISSION.

EACH OF YOU SHOULD HAVE A SHORT POWER POINT PRESENTATION IN FRONT OF YOU AND IT'S NOW UP ON THE SCREEN. I'LL STEP YOU THROUGH THE SUPPLEMENTAL

FUNDING PROPOSAL. IT AFFECTS THE THREE OF THE FOUR CATEGORIES OF FUNDING, INSTITUTIONAL SUPPORT, COMMUNITY INITIATIVES AND PROJECT SUPPORT. AT THE END I'LL TALK ABOUT WHAT THIS DUES DOES TO THE ENDING BALANCE. IN INSTITUTIONAL SUPPORT WE CREATE SUPPLEMENTAL FUNDING AND BY CAPPING THE INCREASES FROM APPLICANTS THAT WERE ALLOCATED TPHUPBDZ IN '04. IN YOU ARE A RUFPRBING MILK CAN'T, YOUR '05 ALLOCATION IS CAPPED AT NO GREATER THAN 10% GROWTH. THEN WE REDISTRIBUTE THAT FUNDING BY PROVIDING \$10,000 AWARDS TO GROUPS THAT WERE REDUCED BETWEEN 30 AND 44.9%, AND A \$15,000 AWARD TO GROUPS THAT WERE REDUCED BY MORE THAN 50%. AND THAT'S HOW THE SUPPLEMENTAL FUNDING WORKS AND INSTITUTIONAL SUPPORT. YOU MOVE THEN TO COMMUNITY INITIATIVES, AND ALL THAT HAPPENED THERE WAS WE LIMITED NEW APPLICATIONS TO A CAP OF \$5,000. THAT AFFECTS FIVE APPLICANTS AND THERE IS NO REDISTRIBUTION IN COMMUNITY INITIATIVES. AND THEN WE MOVE TO PROJECTS. AND WE CREATE SUPPLEMENTAL FUNDING BY DOING TWO THINGS. WE CAP AT 10% THE ALLOCATIONS IN '05, AND WE ALSO LIMIT ALL NEW APPLICATIONS TO A MAXIMUM OF \$5,000. THEN WE REDISTRIBUTE THAT MONEY IN SEVERAL WAYS. THE SUPPLEMENT CANNOT CAUSE AN AWARD TO EXCEED THE F.Y. '04 ACTUAL ALLOCATION. SO IF YOU WERE -- IF YOU RECEIVED A CUT BETWEEN 30 AND 44.9%, YOU GET A \$5,000 SUPPLEMENT UNLESS THAT SUPPLEMENT CASTS YOU TO EXCEED LAST YEAR'S FUNDING. IF IT DOES, THEN THE SUPPLEMENT IS REDUCED TO \$2,500. IF THAT SUPPLEMENT EXCEEDS LAST YEAR'S FUNDING, THEN YOU MOVE TO 1,250. IF YOU WERE -- IF YOU RECEIVED A CUT BETWEEN 45 AND 49.9%, THEN YOUR SUPPLEMENT IS \$10,000. IF THAT CAUSES YOU TO GO OVER LAST YEAR'S BUDGET, IT SHIFTS TO \$5,000. AND IF THAT CAUSES YOU TO GO OVER LAST YEAR'S BUDGET, IT SHIFTS TO \$2,500. AND FINALLY, IF YOU RECEIVED A CUT OF MORE THAN 50%, YOU GET A SUPPLEMENT OF \$15,000. AGAIN, IF THAT PUTS YOU OVER LAST YEAR'S BUDGET, IT DROPS TO 10,000. IF THAT PUTS YOU OVER LAST YEAR'S BUDGET, IT DROPS TO 5,000. IF THAT PUTS YOU OVER LAST YEAR'S BUDGET, IT DROPS TO 2500. AND ON THE FINAL PAGE OF THE PRESENTATION, UNDER

THE CURRENT PROPOSAL, THE ENDING BALANCE OF \$301,374 OR 10%. WITH THE SUPPLEMENTAL FUNDING PLAN, THE NEW FUND BALANCE WILL BE \$1,898,034 AT 4.3% ENDING BALANCE.

Alvarez: MAYOR PRO TEM, I'LL --

Goodman: COUNCILMEMBER ALVAREZ.

Alvarez: JUST TO SPEAK TO THAT A LITTLE BIT SO THAT WE UNDERSTAND SORT OF WHAT -- A LITTLE ABOUT WHERE THAT'S COMING FROM, IF WE -- IF WE LOOK AT SORT OF THE EFFECT OF IMPLEMENTING THE FORMULA THAT WAS DEvised, YOU KNOW, AS THE ARTS COMMISSION RECOMMENDED, THEN YOU WILL SEE SOME VERY DRASTIC CHANGES IN FUNDING WHERE SOME ORGANIZATIONS RECEIVE 50%, 100%, 150, 200% INCREASE AND OTHERS ARE ON-LONG-STANDING ORGANIZATIONS RECEIVE CUTS OF 40, 50, 60, 70%. [ONE MOMENT PLEASE] [ONE MOMENT, PLEASE, FOR CHANGE IN CAPTIONERS]

IN TERMS OF WHAT YOU ARE ELIGIBLE AND WHAT YOU CAN APPLY FOR. THAT REALLY IS WHAT'S DRIVING THIS. THE SCORE REALLY IS NOT AFFECTING -- NECESSARILY THE OUTCOME HERE. THE PROPOSED OUTCOME. AS IT CAME THROUGH THE PROCESS IT WAS ACTUALLY, YOU KNOW, THE SYSTEM ITSELF AND I THINK WHAT -- WHAT THIS PROPOSAL DOES IS IT TRIES TO -- TO -- TO AT LEAST SAY THAT, YOU KNOW, THOSE ORGANIZATIONS THAT -- THAT YOU KNOW WITH OUR NEW SYSTEM, WERE SLATED TO -- WHERE SLATED TO RECEIVE AN INCREASE CAN STILL RECEIVE AN INCREASE, BUT THEY WILL ONLY BE INCREASED UP TO 10% OF LAST YEAR'S FUNDING. AND THEN -- REALLY WHAT THAT CREATES IS A POOL OF FUNDS THAT CAN -- THAT WE HAVE TO FIGURE OUT HOW TO -- WHAT TO DO WITH AND THAT WE CAN USE TO, I THINK, ADDRESS SOME OF THESE VERY DRASTIC CUTS. THAT WOULD TAKE PLACE UNDER THE NEW SYSTEM. THE CAP, THE NEW APPLICATION OF \$5,000, THAT CREATED THE REVENUE THAT ALLOWS FOR SUPPLEMENTAL FUNDING YOU KNOW HAS -- THE CITY MANAGER HUFFMAN LAID OUT, SO -- SO YOU WILL ACTUALLY SEE THAT -- THAT, YOU KNOW, IN THIS PROPOSAL THERE ARE STILL A LOT OF GROUPS THAT ARE CUT 20, 30, 40%, BUT THAT -- THAT

BURDEN AT LEAST IN TERMS OF WHO FEELS THE BRUNT OF THE CUTS HAS LESSENER A BIT AND REALLY I THINK IT ALLOWS US TO ACTUALLY LOOK AT -- THE OUTCOME OF THIS NEW SYSTEM, YOU KNOW, TO SEE IF THIS IS REALLY WHAT WE INTENDED BECAUSE I PERSONALLY AGAIN DO NOT SUPPORT SORT OF -- THE CURRENT STRUCTURE BUT I THINK WE CAN LEARN SOME LESSONS FROM GOING, HAVING GONE THROUGH IT AT THIS -- YOU KNOW, THIS ONE TIME, OBVIOUSLY WITH SOME -- SOME CHANGES HERE. THAT WE ARE PROPOSING. I THINK THAT IT'S VERY IMPORTANT TO MAYBE -- MAYBE TRY TO PHASE IN SORT OF THE EFFECT OF WHAT THIS MIGHT DO, YOU KNOW, FOR FUNDING FOR THE ARTS ORGANIZATIONS AND TO GET PUBLIC INPUT ON IT BECAUSE UP TO THIS POINT NO ONE HAS ACTUALLY SEEN, WHAT IS MY PROPOSED FUNDING GOING TO BE FOR -- FOR THE FISCAL YEAR STARTING OCTOBER 1, WHICH IS A COUPLE OF WEEKS AWAY. SO THUS FAR WE HAVEN'T REALLY RECEIVED ANY INPUT ON WHETHER OR NOT PEOPLE REALLY AGREED WITH -- WITH THE SYSTEM BASED ON IT'S ACTUAL -- THE ACTUAL OUTCOME THAT IT PRODUCED AND SO I DO THINK THAT IT NEEDS SOME TWEAKING AND I THINK THIS SOFTENS THE EFFECT OF -- OF THE IMPLEMENTATION OF THE SYSTEM ON THIS FIRST YEAR AND HOPEFULLY WE CAN GET SOME INPUT BETWEEN NOW AND THE NEXT TIME WHEN THE APPLICATIONS MAY BE DUE THAT -- SO THAT WE SEE WHAT THE -- AGAIN, WHAT WE REALLY WOULD LIKE TO SEE, AS -- AS AFFECTING THE PROPOSED OR THE RECOMMENDED FUNDING, YOU KNOW, SO THAT PERSONALLY I THINK THAT JUST SCORES SHOULD SOMEHOW WEIGH A LITTLE MORE HEAVILY IN TERMS OF HOW WE ARE ALLOCATING THE FUND AND JUST FIGURING OUT HOW DO WE TRANSFORM THE FORMULA THAT'S BEEN DEVISED IN SUCH A WAY THAT ALLOWS THAT TO OCCUR. BUT -- BUT AGAIN EVEN FOR THOSE GROUPS WHO -- WHO ARE GETTING CUT 20, 30, TO 30%, I WOULD NOTE THAT -- THAT THERE'S ACTUALLY I BELIEVE 20, 20% LESS FUNDING THIS YEAR THAN WE HAD LAST YEAR THAT'S -- IS THAT CORRECT? JUST WANTED TO MAKE SURE.

YEAH.

SO -- SO EVEN GOING INTO THIS, WE HAD LESS MONEY TO BEGIN WITH. AND WE ALSO HAD -- IT WAS THE FIRST TIME WE

OPENED IT UP, FOR NEW APPLICATIONS, WHICH MEANS, YOU KNOW, IN THE ALTERNATIVE PROPOSAL THERE'S ACTUALLY AN ADDITIONAL OF ABOUT \$250,000 THAT'S GOING TO NEW APPLICATIONS THAT'S NOT AVAILABLE FOR FOLKS WHO ARE -- THAT ARE CURRENTLY IN THE SYSTEM. AND SO YOU -- THEN YOU REMOVE THE CONTINGENCY FUNDS FROM THAT OVERALL EQUATION AND SO YOU ARE VERY -- YOU ARE LIMITING THE POOL OF FUNDS THAT WE ARE WORKING WITH, SO -- SO I THINK VERY NATURALLY, I MEAN, I THINK IT WOULD BE EXPECTED THAT SOME GROUPS WOULD BE CUT. SOME WERE ON THE ORDER OF 20 TO 30%, I THINK THIS IS -- THAT'S WHAT WE SEE I GUESS WITH THIS ALTERNATIVE RECOMMENDATION THAT THAT'S SORT OF ALMOST THE LOWER LIMIT. THE UPPER LIMIT OF WHAT ANY GROUPS HAVE CUT. AND SO -- BUT I DO THINK THERE'S SOME CHANGES THAT SHOULD BE MADE AND I LOOK FORWARD TO WORKING WITH EVERYONE TO FIGURE OUT HOW WE CAN STRENGTHEN THIS -- THIS PROPOSAL. AND -- BUT I DO THINK THAT -- THAT YOU KNOW THE ALTERNATIVE PROPOSAL HERE, SORT OF MAINTAINS THE INTEGRITY OF THE SYSTEM, I THINK AS DEVISED, BUT JUST DOES LIMIT CAPS ON HOW MUCH FUNDING YOU CAN RECEIVE UNDER CERTAIN CIRCUMSTANCES. AND THAT -- AND THAT AGAIN WE HOPE THAT NEXT YEAR WE DON'T HAVE THESE FINANCIAL LIMITATIONS SO THAT WE -- THAT WE DON'T HAVE THE SAME PROCESS TO REPEAT ITSELF. IF WE GO -- IF WE DON'T CHANGE THE FORMULA, WE DON'T CHANGE ANYTHING IN THE SYSTEM BETWEEN NOW AND FEBRUARY OR WHENEVER THE NEW DEADLINE MAY BE FOR -- FOR APPLYING FOR CULTURAL ARTS FUNDING, THEN WE ARE GOING TO SEE THE EXACT SAME THING HAPPEN THE FOLLOWING YEAR AND SO WE WILL -- AGAIN WE WILL CERTAINLY WANT TO HEAR FROM FOLKS ONCE THEY ACTUALLY SEE WELL, WHAT IS THE EFFECT OF THIS NEW SYSTEM ON -- ON THE CULTURAL ARTS FUNDING AND HOPEFULLY THAT WOULD BE A GOOD BASIS FOR US TO COME BACK AND FURTHER STRENGTHEN, YOU KNOW, OUR -- THIS NEW SYSTEM THAT WE HAVE BEEN WORKING ON FOR A LONG TIME. BUT -- BUT WITH THAT, YOU KNOW, I'LL JUST -- I'LL YIELD TO SEE IF THERE'S ANY OTHER QUESTIONS.

Mayor Wynn: QUESTIONS, COMMENTS?

Dunkerly: MAYOR? MARES COUNCILMEMBER DUNKERLY?

Dunkerly: I WANT TO THANK COUNCILMEMBER ALVAREZ, HE'S WORKED INCREDIBLY HARD TO TRY TO SMOOTH OFF THE ROUGH EDGES OF SOMETHING THAT -- THAT WE SHOULD HAVE LISTENED TO HIM LAST YEAR ON, I THINK. BUT I JUST REALLY WANT TO THANK YOU AND I WOULD LIKE TO ALSO REITERATE ONE OF THE RECOMMENDATIONS HE'S MADE IS TO GET WITH THE ARTS COMMISSIONS, THE ARTS GROUPINGS AND REALLY TAKE THOSE FORMULA APART SO THAT THEY REALLY UNDERSTAND HOW THEY WORK AND WHAT THE COMPONENTS ARE THAT REALLY DRIVE THIS. I THINK WHAT -- I THINK WHAT THE COUNCILMEMBER HAS BEEN ABLE TO DO IS TO RETAIN SOME OF THE EFFECT OF THE -- OF THE ACTUAL SCORING OF THE PANELS, WHICH MOST PEOPLE THOUGHT WERE VERY, VERY GOOD. A GOOD PROCESS THIS YEAR. AND HE SORT OF TEMPERED IT AND SMOOTHED OFF THE EDGES BOTH TOP AND BOTTOM OF THOSE SWINGS. BUT MY RECOMMENDATION IS TO REALLY MAKE SURE THAT THE COMMISSIONERS WORK WITH IT ENOUGH SO THAT THEY ARE COMFORTABLE AND THEY UNDERSTAND ALL OF THE COMPONENTS AND MAYBE MAKE SOME RECOMMENDATIONS AND USE SOME REAL-LIFE SCENARIOS, THAT'S AWFULLY HARD TO UNDERSTAND THE NUMBERS. IF YOU -- IF CAN'T MASSAGE THEM AND WORK WITH THEM A LITTLE BIT. SO THANK YOU.

WE WILL DO THAT AND WE WILL MAKE SURE THAT WE BRING THAT BACK TO YOU BEFORE NEXT YEAR'S PROCESS EVEN GETS INTO PLAY. BECAUSE THE BOTTOM LINE IS THAT WE HAVE NEARLY \$7 MILLION OF REQUESTS COMPETING FOR A \$2.5 MILLION BUDGET. SO YOU ARE EXACTLY RIGHT.

Goodman: MAYOR?

Mayor Wynn: MAYOR PRO TEM?

Goodman: CAN I ADD TO THAT. LET ME ALSO THANK COUNCILMEMBER ALVAREZ, THAT WAS NOT AN EASY FORMULA TO COME UP WITH AND I KNOW HE CRUNCHED NUMBERS FOR A LONG, LONG TIME TO DO IT. BUT I ALSO APPRECIATE HIS EFFORTS IN TRYING TO GRADUATE THE AWARDS FOR GROUPS THAT GOT AWARDS THIS YEAR. I

THINK THAT WHEN WE FIRST BEGAN THIS PROCESS, WHAT WE HAVE IN PLACE RIGHT NOW IS NOT EXACTLY WHAT WE ENVISIONED. AT LEAST AS COUNCILMEMBER DUNKERLY AND I BEGAN IT. AND WHEN WE SAW SOME OF THE PROVISIONS THAT WERE GOING TO GO INTO THE PROCESS, I KNOW THAT ALL OF US WERE A LITTLE UNCOMFORTABLE AND WONDERED WHAT THE PRACTICAL IMPACT WOULD BE. SOME OF WHICH I THOUGHT THAT I FORESAW TO BE EXACTLY WHAT HAPPENED THIS TIME AND IT'S NOT A GOOD SITUATION IN THOSE CONTEXTS. SO WE KNEW THAT IN -- WITH ANYTHING NEW, THERE WOULD NEED TO BE TWEAKING. AND A REAL ANALYSIS OF PRACTICAL IMPACT AND WHETHER OR NOT WE WERE REACHING THE GOALS THROUGH RULES SUCH AS WE WERE JUST -- NEWLY INSTITUTING AND WHETHER IN FACT WE WERE INCLUDING ALL THAT IS CULTURAL ART AND ESPECIALLY RELATIVE TO TOURISM AND ENHANCING OUR STATUS AS A DESTINATION WITHIN CULTURAL ARTS, THE ECONOMIC DEVELOPMENT INITIATIVE, SO ON, SO FORTH. SO LET ME SAY THAT ALTHOUGH I WON'T BE HERE AT THIS PART OF THE BUDGET NEXT YEAR, I WILL BE HERE AND WORKING ON THAT ART AND CULTURAL ARTS PART OF THE BUDGET BECAUSE NOW IS THE TIME WHEN WE GET DOWN TO THE NITTY-GRITTY IN TRYING TO MAKE ONE THAT REALLY WORKS. I'M JUST FOREWARNING YOU GUYS, I MIGHT BE IN THE AUDIENCE NEXT YEAR. [LAUGHTER]

Mayor Wynn: IF ANY OF US ARE LEFT, WE WILL RECOGNIZE YOU, MAYOR PRO TEM. SO, COUNCIL AGAIN WE HAVE A -- WE HAVE THE MAIN MOTION AND A SECOND, WHICH IS ITEM 12 A. WE'VE HAD A PRESENTATION ON WHAT IS -- WHAT IS ESSENTIALLY PROPOSED AS A SUPPLEMENTAL FUNDING PROPOSAL ON AMENDMENT B 1. I'LL -- I WILL SAY BEFORE I ENTERTAIN THE MOTION ON POTENTIALLY ON AMENDING B 1, I'M NOT GOING TO BE SUPPORTIVE OF THIS. ALTHOUGH I RESPECT THE EFFORT INVOLVED, BUT BOTH LAST YEAR AT THIS TIME WHEN THIS WAS AN ISSUE, THEN MORE IMPORTANTLY WHEN WE DISCUSSED THROUGHOUT THE COURSE OF THE YEAR HOW DO WE FRANKLY DEPOLITICIZE THE PROCESS OF THE CULTURAL ARTS FUNDING, I -- I WILL RESPECT MY PREVIOUS VOTE, WHICH I STILL AGREE WITH, WHICH IS TO HAVE THE -- TO HAVE THE ARTS COMMISSION

GO THROUGH THIS FORMAL PROCESS AND FRANKLY TO HAVE THIS NOT COME BACK TO COUNCIL FOR -- FOR ULTIMATE TWEAKING AND/OR APPROVAL. BUT SO WITH THAT, I'LL -- WE ARE STILL LOOKING FOR THE ACTUAL MOTION ON THE POTENTIAL AMENDMENT B 1, THAT IS THE SUPPLEMENTAL FUNDING PROPOSAL. I WILL RECOGNIZE COUNCILMEMBER ALVAREZ BUT I THINK HE MADE THE MAIN MOTION ON 12 A.

THEN I WILL MOVE THE AMENDMENT.

Mayor Wynn: SO WE HAVE AMENDMENT MOTION B 1, PROPOSED BY MAYOR PRO TEM, SECONDED BY COUNCILMEMBER THOMAS. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? NO. MOTION TO AMEND B 1 PASSES ON A VOTE OF 6-1 WITH THE MAYOR VOTING NO. SO, COUNCIL, THAT NOW TAKES US BACK TO THE -- TO THE MAIN MOTION. WHICH IS THE -- THE -- THE APPROVE RESOLUTION, APPROVE THE FISCAL YEAR 2004-2005 CULTURAL ARTS SERVICE CONTRACTS AS AMENDED. RIGHT. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? MOTION PASSES ON A VOTE OF 7-0.

Mayor Wynn: AT THIS TIME, COUNCIL, SINCE THAT AMENDMENT PASSED WE NOW NEED TO RECONSIDER OUR MAIN MOTION OF THE OPERATING BUDGET FOR THE CULTURAL ARTS FUND BY INCREASING EXPENDITURES IN AN AMOUNT OF \$111,540. I'LL ENTERTAIN THAT MOTION FOR RECONSIDERATION AND NEW MOTION. MOTION MADE BY COUNCILMEMBER ALVAREZ. SECONDED BY COUNCILMEMBER THOMAS. THEN THIS SHOWS ON OUR SCRIPT AS AMENDMENT 1 B 10. WHICH IS THE RECONSIDERATION OF OUR MAIN MOTION AND AMENDING THE CULTURAL ARTS FUND BY THIS ADDITIONAL EXPENDITURE OF \$110,540. FURTHER COMMENTS? HEARING

NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? MOTION PASSES ON A VOTE OF 7-0. ITEM 13, COUNCIL. RELATES TO A RESOLUTION FOR OUR ACVB MARKETING PLAN.

MAYOR, AS YOU KNOW, THE CITY HAS A CONTRACT WITH THE AUSTIN CONVENTION AND VISITORS BUREAU TO PROVIDE MARKETING SERVICES FOR -- PRIMARILY FOR OUR CONVENTION CENTER AND FOR TOURISM HERE IN THE CITY OF AUSTIN. YOU HAVE ALREADY APPROVED IN THE OPERATING BUDGET THE PAYMENT TO ACVB, WHICH WILL BE A LOWER PAYMENT THIS YEAR THAN IT WAS IN THE PRIOR FISCAL YEAR BECAUSE THEY ARE DEALING WITH THE SAME REVENUE SHORTFALL THAT FOR EXAMPLE THE CULTURAL ARTS CONTRACTS FOLKS ARE. BUT THEY HAVE IN THE -- IN THE MARKING PLAN -- MARKETING PLAN ACVB HAS PROVIDED FULL FUNDING IN '05 FOR THE MINORITY CHAMBER CONTRACTS AND HAVE PROVIDED SUBSTANTIALLY FULL FUNDING FOR THE HERITAGE MARKETING CONTRACTS THAT THEY HAVE AND -- ARE STILL CONTINUING TO PROVIDE THE PRIMARY FOCUS THAT THEY HAVE ON -- ON PROMOTING CONVENTIONS IN THE -- IN OUR EXPANDED CONVENTION CENTER.

Mayor Wynn: THANK YOU, MR. STEVENS. QUESTIONS OF STAFF? COMMENTS? THIS IS AGENDA ITEM 13, THE RESOLUTION FOR THE ACVB MARKETING PLAN. I'LL ENTERTAIN A MOTION.

Alvarez: MOVE APPROVAL.

Mayor Wynn: MOTION BY COUNCILMEMBER ALVAREZ, SECONDED BY COUNCILMEMBER THOMAS TO APPROVE ITEM NO. 13 AS A RESOLUTION. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? MOTION PASSES ON A VOTE OF 7-0. ITEM

14 BEGINS -- ARE OUR REIMBURSEMENTS RESOLUTIONS.

MAYOR, ITEM 14 IS THE -- IS OUR GENERAL OBLIGATION REIMBURSEMENT RESOLUTIONS, THIS IS AN ITEM THAT WE TYPICALLY BRING TO YOU AT THIS TIME OF YEAR. WE ARE DECLARING OFFICIAL INTENT TO TO REIMBURSE 12.1 IN GENERAL OBLIGATION BONDS AND APPROXIMATELY 3-POINT 2 MILLION IN CONTRACTUAL OBLIGATIONS. THE 12.9 RELATES TO EXPENDITURES THAT WE EXPECT TO MAKE SOMETIME DURING FISCAL YEAR '05 ORIGIN MAKING FOR STATE HIGHWAY 45 AND THE CONTRACTUAL OBLIGATIONS BREAK DOWN INTO TWO PIECES, 2.3 MILLION FOR THE IMPROVEMENTS TO OUR GATTEN HIGH SPEED FIBER NETWORK AND 860,000 FOR THE EQUIVALENT THAT YOU DEALT WITH EARLIER IN A PREVIOUS AMENDMENT. FOR I BELIEVE PARKS [INDISCERNIBLE] HARRIS RIGHT, THANK YOU MR. STEVENS. QUESTIONS OF STAFF, COUNCIL? COMMENTS? IF NOT, I'LL ENTERTAIN A MOTION ON ITEM NO. 14, THE FIRST OF OUR REIMBURSEMENT RESTRESOLUTIONS.

I WILL MOVE APPROVAL.

MOTION BY COUNCILMEMBER DUNKERLY, SECONDED BY THE MAYOR PRO TEM TO APPROVE ITEM 14. FURTHER COMMENT? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? MOTION PASSES ON A VOTE OF 7-0. ITEM 15 MR. STEVENS.

ITEM 15 IS ESSENTIALLY THE SAME PROVISION FOR AUSTIN ENERGY FOR OUR ELECTRIC UTILITY THAT -- THAT DECLARES COUNCIL'S OFFICIAL INTENT TO REIMBURSE \$42.2 MILLION IN EXPENDITURES THAT WILL BE MADE PRIOR TO THE DEBT BEING ISSUED FOR AUSTIN ENERGY.

Mayor Wynn: THANK YOU, MR. STEVENS. QUESTIONS OF STAFF, COUNCIL? IF NOT I'LL ENTERTAIN A MOTION ON ITEM 15.

Goodman: SO MOVED.

Mayor Wynn: MOTION MADE BY THE MAYOR PRO TEM, SECONDED BY COUNCILMEMBER DUNKERLY TO APPROVE ITEM 15 THE REIMBURSEMENT RESOLUTION FOR OUR ELECTRIC UTILITY. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? MOTION PASSES ON A VOTE OF 7-0. ITEM 16, MR. STEVENS.

ITEM 16 IS THE LAST OF THE REIMBURSEMENT ITEMS, MAYOR, IT'S A SIMILAR ITEM FOR THE WATER AND WASTEWATER UTILITY IN THE AMOUNT OF 180 MILLION.

SO MOVED.

Mayor Wynn: MOTION MADE BY THE MAYOR PRO TEM. SECONDED BY COUNCILMEMBER ALVAREZ TO APPROVE ITEM 16, THE REIMBURSEMENT RESOLUTIONS REGARDING OUR WATER UTILITY. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? MOTION PASSES ON A VOTE OF 7-0. COUNCIL, WITHOUT OBJECTION, WHAT WE HAVE DONE NOW IS WE HAVE GONE THROUGH THE -- THE BULK OF OUR POSTED BUDGET AGENDA ITEMS. WE NOW WE ARE ACTUALLY GOING TO RECESS THE CITY COUNCIL MEETING TO TAKE -- TO THEN CALL TO ORDER THE AHFC BOARD MEETING TO TAKE UP THAT AGENDA ITEM. WE THEN COULD COME BACK AND HAVE THE FIVE REMAINING ADDITIONAL AGENDA ITEMS, IF I COULD JUST GO AHEAD AND ANNOUNCE NOW, IT'S 12:20 -- 20 MINUTES AFTER 12 OR SO. MY INSTINCT IS THAT THE AHFC ITEM WON'T TAKE MUCH TIME, PERHAPS 10 MINUTES OR SO AT MOST?

AT MOST.

SO AS WE RECESS THE AUSTIN CITY COUNCIL MEETING,

WHY DON'T WE ALSO ANNOUNCE WE ARE GOING TO TAKE A LUNCH BREAK AND ALSO GIVES A COUPLE OF BOARD MEMBERS FROM THE TRAVIS COUNTY HOSPITAL DISTRICT TIME TO COME HERE TO BE AVAILABLE FOR US FOR QUESTIONS AS WE TAKE UP THESE ADDITIONAL AGENDA ITEMS. SO JUST FOR EVERYBODY'S PLANNING PURPOSES, AS WE RECESS THIS, WE ARE PROBABLY GOING TO GO AHEAD AND TAKE A FULL HOUR OR SO LUNCH BREAK AND LIKELY WE WILL RECONVENE THE AUSTIN CITY COUNCIL MEETING AT 1:30 TO TAKE UP THE REMAINING FIVE AGENDA ITEMS. SO WITHOUT OBJECTION, WE WILL NOW RECESS THIS MEETING, THE AUSTIN CITY COUNCIL, CALL TO ORDER THE SPECIAL CALLED MEETING OF THE BOARD OF DIRECTORS OF THE HOUSE, TO TAKE UP ITEM NO. 1.

THANK YOU, MR. PRESIDENT. I'M HERE BEFORE YOU TODAY TO APPROVE THE AHFC BUDGET FOR THIS YEAR. THE -- THE ACTION BEFORE YOU IS TO APPROVE A RESOLUTION AUTHORIZING THE APPROVAL AND EXPENDITURE OF THE FISCAL YEAR 2004-2005 AUSTIN HOUSING FINANCE CORPORATION 12,641,093 GRANT OPERATING BUDGET AND \$1,189,602 HOUSING ASSISTANT FUND BUDGET FOR A TOTAL BUDGET AMOUNT EQUAL TO \$13,830,695. THE RESOLUTION ALSO AUTHORIZES THE APPROVAL OF THE HOUSING PROGRAMS DESCRIBED IN THE GRANT OPERATING BUDGET AND THE HOUSING ASSISTANCE FUND BUDGET WHICH WILL BE OPERATED BY THE CORPORATION IN FISCAL YEAR 2004-2005. JUST AS A REMINDER, THESE ARE THE PROGRAMS THAT AGAIN HAVE BEEN PART OF THE CONSOLIDATED PLANNING PROCESS. AND THE BUDGET PRESENTATION THAT WE MADE BEFORE IN OUR AUGUST MEETING. OF COURSE I ALWAYS PREPARE A 20 MINUTE PRESENTATION, MAYOR, BUT IF THERE'S NOT ANY QUESTIONS I COULD JUST STOP THERE OR I WOULD BE GLAD TO GIVE YOU MORE DETAILED INFORMATION.

Mayor Wynn: THANK YOU, MR. HILGERS. QUESTIONS? MAYOR PRO TEM?

Goodman: LET ME SUGGEST THAT WE NOT ASK MR. HILGERS FOR THIS PRESENTATION BECAUSE WE HAVE HAD THIS SEVERAL TIMES IN COUNCIL CHAMBERS, PUBLIC HEARINGS AND CERTAINLY THE COMMUNITY DEVELOPMENT

COMMISSION HAS GIVEN US INPUT. IN THAT VEIN I WOULD MOVE A MOTION TO APPROVE.

Slusher: SECOND.

Mayor Wynn: MOTION MADE BY VICE-PRESIDENT GOODMAN, SECONDED BY BOARD MEMBER SLUSHER TO APPROVE ITEM AHFC 1. FURTHER COMMENTS, QUESTIONS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Wynn: OPPOSED? MOTION PASSES ON A VOTE OF 7-0. SO AT THIS TIME, COUNCIL, WITHOUT OBJECTION, I WILL ADJOURN THE MEETING OF THE BOARD OF DIRECTORS OF THE AUSTIN HOUSING AND FINANCE CORPORATION, REMIND YOU WE ARE STILL IN RECESS OF THE AUSTIN CITY COUNCIL, SPECIAL CALLED MEETING FOR OUR BUDGET APPROVAL, AND WE NOW SHOULD TAKE A LUNCH BREAK. LET'S GO AHEAD AND JUST ANNOUNCE THAT WE WILL BE BACK IN THIS ROOM AT 1:30, APPROXIMATELY ONE HOUR, AND WE WILL DO OUR BEST NOT TO HAVE A QUORUM AT FRAN'S. WE ARE NOW IN RECESS.

ENTERTAIN ENTERTAIN

Mayor Wynn: THERE BEING A QUORUM PRESENT, AT THIS TIME WE'LL CALL BACK TO ORDER THIS SPECIAL CALLED MEETING OF THE AUSTIN CITY COUNCIL AT 1:35. WE ARE STILL IN THE THIRD FLOOR OF ONE TEXAS CENTER. APPROXIMATELY 1:35 P.M. COUNCIL, WE HAVE FIVE ADDITIONAL AGENDA ITEMS WE'RE GOING TO TAKE UP HERE. IF I COULD, WITHOUT OBJECTION, I'D JUST LIKE TO MENTION THAT EARLIER TODAY, THIS MORNING IN FACT, WHILE WE WERE MEETING IN FACT, THERE WAS A FUNERAL IN TOWN. IT WAS FOR LANCE CORPORAL NICKLAUS PEREZ HERE OF AUSTIN. HE WAS LAID TO REST THIS MORNING. AND WE ANTICIPATE THERE BEING ANOTHER MORE FORMAL AND APPROPRIATE VENUE FOR US TO EXPRESS OUR CONDOLENCES, BUT AT THIS TIME IF YOU COULD JOIN ME IN A MOMENT OF SILENCE FOR THAT, FRIDAY SEPTEMBER THIRD, LANCE CORPORAL NICKLAUS PEREZ OF AUSTIN WAS KILLED IN IRAQ. NICKLAUS WAS A NATIVE AND LIFELONG

AUSTINITE. HE WAS A GRADUATE OF TRAVIS HIGH SCHOOL, CLASS OF MAY 2003. ALTHOUGH THIS COMMUNITY, AS YOU KNOW, HAVE LOST A NUMBER OF ITS YOUNG MEN, THIS WAS THE FIRST TO STRIKE THE CITY OF AUSTIN. NICKLAUS IS SURVIVED BY HIS PARENTS, INCLUDING HIS MOTHER, CITY EMPLOYEE YOLANDA VALDEZ PEREZ FROM OUR HUMAN RESOURCE DEPARTMENT. HE'S ALSO SURVIVED BY HIS FATHER, SAMUEL VALDEZ AND HIS SISTER, U.S. MARINE CORPS CORPORAL YOLANDA PEREZ. IF YOU WOULD JOIN ME IN A MOMENT OF SILENCE FOR NICHOLAS PEREZ. THANK YOU VERY MUCH. OUR CONDOLENCES TO THE ENTIRE PEREZ FAMILY, ESPECIALLY YOLANDA. OKAY, COUNCIL, WE HAVE FIVE ADDITIONAL AGENDA ITEMS TO TAKE UP AS PART OF THIS YEAR'S BUDGET APPROVAL. AND WE'LL RECOGNIZE MR. JOHN STEPHENS.

MAYOR, THE FIRST ADDITIONAL ITEM THAT YOU HAVE IS ITEM 17, WHICH RELATES TO THE CAPITAL BUDGET AMENDMENT THAT YOU PASSED EARLIER TODAY FOR THE SOLID WASTE SERVICES DEPARTMENT. THIS ITEM IS TO AUTHORIZE EXECUTION OF A CONSTRUCTION CONTRACT WITH ENACT SERVICES OF FRIENDS WOOD, TEXAS FOR THE SITE REMEDIATION AT MABEL DAVIS PARK, INCLUDING RET MOOFL OF CONTAMINATED SOIL AND A NUMBER OF OTHER THINGS, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$8,074,677. YOU PROVIDED FUNDING AGAIN FOR THIS EARLIER IN THE CAPITAL BUDGET AMENDMENT THAT YOU MADE TO THE SOLID WASTE SERVICES BUDGET.

THANK YOU MR. STEPHENS. QUESTIONS, COMMENTS? IF NOT, I'LL ENTERTAIN A MOTION ON ITEM 17.

Alvarez: MOVE APPROVAL.

Mayor Wynn: MOTION MADE BY COUNCILMEMBER ALVAREZ, SECONDED BY THE MAYOR PRO TEM TO APPROVE ITEM 17 RELATED TO THE CONSTRUCTION CONTRACT WITH ENTACT SERVICES LLC. FURTHER COMMENT? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Mayor Wynn: OPPOSED? MOTION PASSES ON A VOTE OF

SEVEN TO ZERO. ITEM 18?

MAYOR, ITEM 18 IS TO AUTHORIZE NEGOTIATION AND EXECUTION OF AN INTERLOCAL 12-MONTH INTERLOCAL AGREEMENT WITH CAPITAL METRO. THIS WILL ALLOW ALL CITY EMPLOYEES SIMPLY BY SHOWING THEIR ID TO BE ABLE TO USE CAPITAL METRO'S TRANSPORTATION SERVICES. IT'S IN AN AMOUNT NOT TO EXCEED 110,000, AND WE HAVE FOUR 12-MONTH EXTENSION OPTIONS IN THAT SAME AMOUNT.

Mayor Wynn: THANK YOU, MR. STE FENZ. AGAIN, COUNCIL, THIS CORRESPONDS ON OUR EARLIER ACTION ON THE OPERATING BUDGET. ANY QUESTIONS, COMMENTS? IF NOT, I'LL ENTERTAIN A MOTION ON ITEM 18. MOTION MADE BY THE MAYOR PRO TEM, SECONDED BY COUNCILMEMBER DUNKERLEY TO APPROVE ITEM 18. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE. OPPOSED? MOTION PASSES ON A VOTE OF SEVEN TO ZERO.

MAYOR, ITEM 19 IS THE FIRST OF THE THREE TRAVIS COUNTY HOSPITAL DISTRICT-RELATED ITEMS. THIS ITEM IS TO APPROVE NEGOTIATION AND EXECUTION OF AN INTERLOCAL AGREEMENT WITH TRAVIS COUNTY, AND THIS SIMPLY PROVIDES FOR THE POSSIBILITY THAT THE SIX COUNTY EMPLOYEES WHO HAVE WORKED IN THE MEDICAL ASSISTANCE PROGRAM WILL BE ABLE TO REMAIN TRAVIS COUNTY EMPLOYEES AND REMAIN IN THE TRAVIS COUNTY RETIREMENT SYSTEM. THE FUNDING FROM THIS WILL COME FROM THE INTERLOCAL AGREEMENT THAT THE CITY WILL HAVE WITH THE TRAVIS COUNTY HOSPITAL DISTRICT AND THEN THE CITY WILL THEN PAY TRAVIS COUNTY SO THEY CAN PAY THESE EMPLOYEES' SALARIES AND BENEFITS.

Mayor Wynn: COMMENTS, QUESTIONS? IF NOT, I'LL ENTERTAIN A MOTION ON ITEM 19. MOTION MADE BY COUNCILMEMBER DUNKERLEY, SECONDED BY THE MAYOR PRO TEM TO APPROVE ITEM 19. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Mayor Wynn: OPPOSED? MOTION PASSES ON A VOTE OF

SEVEN TO ZERO.

ITEM 20, MAYOR, IS TO APPROVE NEGOTIATION AND EXECUTION OF AN INTERLOCAL AGREEMENT WITH THE TRAVIS COUNTY HOSPITAL DISTRICT FOR THE TRANSFER OF CERTAIN CONTRACTS, RECORDS, FUNDS AND CLINICAL MEDICAL SERVICES EQUIPMENT. THE LEASE OF CERTAIN MIXED USE COMMUNITY HEALTH CENTER CLINIC FACILITIES TO THE DISTRICT, AND OPERATION BY THE CITY OF THE COMMUNITY HEALTH CENTER CLINIC SYSTEM, AND MANAGEMENT OF THE SETON LEASES AND THE UTMB LEASES. WE HAVE WITH US HERE CLARK HEIDRICK, THE CHAIRMAN OF THE HOSPITAL DISTRICT BOARD, AND I KNOW THERE WERE SOME QUESTIONS FROM COUNCIL ABOUT CERTAIN ITEMS THAT ARE EITHER IN THE INTERLOCAL NOW OR PROPOSED TO BE INCLUDED IN THE INTERLOCAL. YOU HAVE ALL RECEIVED A DRAFT OF THE INTERLOCAL -- WE ACTUALLY HAVE A NEW DRAFT THAT WE CAN DISTRIBUTE TO YOU TODAY THAT ACTUALLY HAS A COUPLE OF CHANGES MADE YESTERDAY.

Mayor Wynn: THANK YOU, MR. STEPHENS. QUESTIONS OF STAFF? COUNCILMEMBER SLUSHER.

Slusher: THANK YOU, MAYOR. MR. HEIDRICH, THANKS FOR BEING HERE TODAY. THANKS FOR BEING ABLE TO TAKE ON THIS MAJOR, ENORMOUS TASK AS A VOLUNTEER. AND SO KNOW I WANT TO GET TO SOME QUESTIONS. WOULD THIS MONEY, THIS -- I'M GLAD, THIS CONTROVERSY SEEMS TO BE ABOUT TO END AND THEN YOU AND THE REST OF THE BOARD CAN GO ABOUT YOUR RESPONSIBILITIES, BUT I WANTED TO MAKE SURE THAT SINCE WE'RE TALKING ABOUT THE SIZE OF THE RESERVE AND THE CITY MAKING A ONE-TIME PAYMENT INTO THE RESERVES, THAT WILL GO TO THE RESERVES, AND SINCE IT IS A ONE-TIME PAYMENT, THEN I WANTED TO MAKE SURE THAT IT WOULD NOT BE USED FOR OPERATING EXPENSES THAT WOULD THEN TURN UP IN THE BUDGET AS A NEED IN THE BUDGET NEXT YEAR. AND THEN THERE WOULDN'T BE ANYWHERE TO GO FOR MORE TAXES TO FUND THAT. COULD YOU SPEAK TO THAT, PLEASE?

I'D BE GLAD TO. AND I THINK IT'S A VERY APPROPRIATE QUESTION. IT'S ONE WE'VE GIVEN A LOT OF THOUGHT TO.

AND BEFORE I ANSWER IT, I'D LIKE TO THANK EACH OF YOU FOR WORKING IN GOOD FAITH WITH US AS WE TRIED TO RESOLVE THIS ISSUE OF THE RESERVE AND GET TO A BUDGET. YOUR STAFF HAS REPRESENTED YOU VERY WELL. COUNCILMEMBER DUNKERLEY WAS INVOLVED IN A NUMBER OF OUR DISCUSSIONS. AND AS THEY SAY AT SOME OF THESE SUMMIT MEETINGS, THERE WAS A FULL AND FRANK EXCHANGE OF VIEWS. THERE WERE SOME PAITION GNAT DISUTION SCUTIONS, BUT -- PASSIONATE DISCUSSIONS, BUT ALWAYS IN GOOD FAITH. I APPRECIATE IT VERY MUCH. YOU'VE BEEN RESPONSIVE TO US WHEN ASKING WHAT TO DO WHEN YOU START SOMETHING FROM SCRATCH, AND WE THANK YOU FOR IT. WE ENDED UP ADOPTING A BUDGET WHICH HAS TOTAL RESERVES IN IT OF 12,428,231. THAT INCLUDES THE 10,700,000 THAT YOU HAVE ON YOUR PROPOSED ORDINANCE TODAY, AND THEN THE FIRST INSTALLMENT THAT HAS BEEN COMMITTED BY THE COUNTY - - AND YOU DO THE MATH AND IT'S A MILLION SOMETHING. THEY'VE COMMITTED TO A TOTAL OF 2,500,000, BUT THEY HAVE NOT DECIDED WHETHER THEY WOULD PUT THIS ALL IN AT ONCE AT THE END OF THIS FISCAL YEAR OR SOME IN NEXT FISCAL YEAR. BUT IF YOU PUT THE WHOLE 2.5 MILLION UP AGAINST YOUR 10.7 IN CASH, THEN THAT GETS TO \$13,200,000. THE THING THAT OUR BOARD DECIDED FIRST IS THAT WE WOULD LIKE TO GET TO A RESERVE OF \$15 MILLION. I THINK WE INDICATED THAT. AND WE'RE GOING TO START ON OCTOBER 1 WITH 12,428,231. WE'LL GET AN ADDITIONAL INSTALLMENT FROM COUNTY AND THEN WE ARE COMMITTED TO TRY TO BUILD THAT RESERVE OVER A PERIOD OF A YEAR OR TWO TO THE 15, AND PERHAPS BEYOND, DEPENDING UPON WHAT APPEARS TO BE NORMAL FOR DISTRICTS LIKE OURS. IT'S HARD FOR US TO BENCHMARK AGAINST OTHER DISTRICTS BECAUSE THERE REALLY ISN'T ANOTHER DISTRICT THAT'S EXACTLY LIKE OURS, AND THAT'S WHAT MADE THIS SO DIFFICULT FOR ALL OF US, I THINK FOR YOU AND US. WE DIVIDED IN THE BUDGET MEETING WE HAD THE OTHER NIGHT, THE INITIAL RESERVES INTO THREE CATEGORIES. 800,000 WOULD GO INTO A CAPITAL RESERVE. 4,000,008 SURVEY THOUSAND 143 WOULD BE IN WHAT THE COUNTY HAS REFERRED TO AND WILL BE ON THEIR FINANCIAL STATEMENTS, SO WE'RE TRYING TO USE THE SAME CATEGORIES AS THEY DO, AN

ALLOCATED RESERVE. AND \$7 MILLION OF UNALLOCATED RESERVE. I WILL TELL YOU THAT THERE'S A LOT OF DISCUSSION THE OTHER NATE ABOUT EVERY ONE OF THOSE DOLLARS BEING A PART OF -- I THINK DR. COOPWOOD REFERRED TO IT AS A BIRTH RATE OR AN INHERITANCE OR SOMETHING, SOMETHING THAT WE REGARD AS PRECIOUS. WE RECOGNIZE IT -- AS WHAT YOU ALL HAVE COME TO REFER TO AS ONE-TIME MONEY. IT'S SOMETHING WE'LL GET ONCE. IT'S SOMETHING THAT IS TO INSULATE US FROM CALAMITY. IN TERMS OF HOW WE MADE THE DECISION TO PUT 7 MILLION IN THE UNALLOCATED OR UNTOUCHABLE RESERVE AND 4,878,143 IN AN ALLOCATED RESERVE, I THINK THAT THAT WAS THE RESULT OF SOME DISCUSSION AROUND THE FACT THAT THIS ENTITY HAS NEVER BEEN HAD A BUDGET. IF WE WERE TO HAVE A BUDGET HICCUP OF SOME SORT, ABOUT THE ONLY WAY THAT I COULD SEE HAVING ONE IN THE FIRST YEAR WOULD BE THAT IF OUR CONTRACT WITH YOU FOR SOME REASON HAD A RUNOVER TYPE SITUATION IN IT. WE'VE GOT A LOT OF CONFIDENCE IN TRISH YOUNG, FRANKLY, THAT SHE WILL MANAGE THE BUDGET AS THE CITY'S REPRESENTATIVE TO THIS PROCESS, JUST AS SHE HAS FOR YOU ALL, WHICH IS TO MANAGE IT VERY CLOSELY TO WHAT YOU'VE BUDGETED IT AT. WE HAVE NO INTENTION OF USING ANY PART OF THIS MONEY AS A SUPPLEMENT TO OUR OPERATING RESERVE. WE REGARD IT AS A PRECIOUS ASSET. WE DO HAVE, IF YOU LOOK AT OUR BUDGET, WE DO HAVE A 5-MILLION-DOLLAR AMOUNT THAT'S IN OUR BUDGET CALLED PROGRAM ENHANCEMENT. AND WHAT THAT IS IS THE DOLLARS THAT HAVE RESULTED FROM THE EXPANSION OF THE TAX BASE SUPPORTING HEALTH CARE FROM -- TO THE COUNTY LINE SO THAT YOU IN ESSENCE FROM EVERYBODY PAYING THE SAME RATE, AND THAT RESULTS IN SOME ADDITIONAL TAX DOLLARS COMING IN. AND AS YOU'LL RECALL WHEN WE WERE WORKING ON THE DISTRICT, THE PROMISE OF THE DISTRICT WAS BASICALLY TWO. WE WOULD NOT HAVE A TAX INCREASE FOR A CITY TAXPAYER WHO IS IN THE CITY AND IN THE COUNTY. THIS BUDGET DELIVERS THAT. AND THAT WE'LL GENERATE AN ADDITIONAL \$5 MILLION IN THE BUDGET THAT COULD BE SPENT TO DEAL WITH PRESSING HEALTH CARE ISSUES IN OUR COMMUNITY. AND WE HAVE THAT FIVE MILLION DOLLARS IN THE OPERATING BUDGET. THAT'S NOT A

PART OF THIS 13.2-MILLION-DOLLAR RESERVE. WE HAVEN'T GOT TONE A DETAILED DISCUSSION OF HOW WE MIGHT SPEND THAT \$5 MILLION TO MAKE IT BETTER IN TERMS OF HEALTH CARE IN CENTRAL TEXAS. I THINK THAT'S GOING TO TAKE FRANKLY 90 OF US WHO ARE ON THIS BOARD, A LOT OF TIMES EDUCATE OURSELVES AND DEVELOP A CONSENSUS ABOUT HOW TO MOST WISELY COMMIT THOSE DOLLARS AND TO DO IT IN A WAY THAT IF WE WERE TO COMMIT A SUBSTANTIAL PORTION OF THEM, THEY WOULDN'T COME BACK NEXT YEAR WITH DEMANDS FOR INCREASES THAT EXCEED OUR CAPACITY TO BUDGET. AND THAT -- THOSE WILL BE THE EXERCISES THAT WE'LL BE LOOKING FOR. BUT I GUESS I'M HERE TO ASSURE YOU THAT WE LOOK AT EVERY DOLLAR OF THE 13,200,000 THAT I'VE BEEN TALKING ABOUT AS A TRUE RESERVE, AND ONE THAT WE INTEND TO BUILD TO \$15 MILLION OR MORE TO TRY TO GET INTO A POSITION WHERE WE FIT NORMS THAT UNDERWRITERS AND OTHERS HAVE SUGGESTED TO US ARE APPROPRIATE. AND WE HAVE NOT YET ADOPTED ANY POLICIES REALLY. I THINK IT IS SOMETHING THAT WE DO NEED TO DISCUSS IN TERMS OF WHEN YOU HAVE AN UNALLOCATED RESERVE, WHAT DOES THAT MEAN, UNDER WHAT CIRCUMSTANCES WOULD YOU EVER TAKE THAT MONEY AND SPEND IT, AND IF YOU HAVE AN ALLOCATED RESERVE, WHAT IS IT ALLOCATED FOR AND UNDER WHAT CIRCUMSTANCES WOULD YOU SPEND THAT. WE HAVEN'T SPECIFIED THOSE POLICIES. I THINK WE NEED TO. I BELIEVE WE WILL. BUT I THINK FROM A SORT OF A COMMITMENT STANDPOINT, EVERY ONE OF THOSE NINE PEOPLE IS COMMITTED TO REGARDING THOSE DOLLARS AS TRUE RESERVE AND NOT SOMETHING EXPANSION OF OUR OPERATING BUDGET.

Slusher: OKAY. THAT SOUNDS LIKE AN APPROPRIATE USE OF IT. I'M GLAD TO HEAR THAT. WHAT IS THE ALLOCATED RESERVE? WHAT KIND OF EXPENSES DO YOU EXPECT IN THERE?

WELL, I THINK THAT IT WOULD BE POSSIBLE TO HAVE BITS AND PIECES, TO HAVE THAT PARCELLED OUT INTO WE MIGHT RUN OVER INTO THIS AREA, AND IF WE DID, WE COULD EARMARK PART OF OUR ALLOCATED RESERVE FOR USE ON THIS OR THAT. WE HAVEN'T DONE THAT. AND I

REALLY THINK THAT WHILE WE'VE GOT IT IN A CATEGORY CALLED ALLOCATED, IT WAS A VERY CONSERVATIVE DECISION ON OUR PART BASED ON SOME ADVICE FROM FINANCIAL ADVISORS THAT IF YOU EVER PUT MONEY IN AN UNALLOCATED RESERVE AND YOU EVER THEN MOVE IT OUT OF UNALLOCATED INTO ALLOCATED, YOU'VE COMMITTED A FINANCIAL SIN. AND UNLESS THERE'S AN EMERGENCY LIKE A HURRICANE OR A TERRORIST ATTACK OR SOMETHING LIKE THAT. AND SO WE WANTED TO GIVE OURSELVES THE FLEXIBILITY IN THE FIRST YEAR TO NOT PUT IT ALL IN THE ALLOCATED RESERVE.

ONE THING THAT MIGHT HELP, COUNCILMEMBER, HOW JOHN MIGHT EQUATE THAT TO HOW YOU USE YOUR RESERVE. WE JUST USE SOME DIFFERENT TERMS.

THE WAY THE CITY OF AUSTIN HANDLES ITS RESERVES REALLY IS I THINK PARALLEL TO THE WAY THAT THE DISTRICT IS HANDLING THEIRS. THE CITY HAS WHAT WE CALL AN EMERGENCY RESERVE, WHICH EQUATES TO THEIR UNALLOCATED RESERVES. THAT'S A RESERVE THAT WE'VE HAD IN PLACE THAT WAS PUT IN PLACE BACK UNDER COUNCILMEMBER DUNKERLEY, WHO USED TO BE DIRECTOR OF FINANCE, AND IT'S A RESERVE THAT CONSTITUENT HAS NEVER SPENT. WE'VE NEVER SPENT ANY OF THAT MONEY.

THAT WOULD BE THE FINANCIAL SIN PART.

RIGHT. THEN WE ALSO HAVE A CAPITAL RESERVE. WE HAVE A CIP CONTINGENCY RESERVE WHICH EQUATES TO THE CAPITAL RESERVE THAT CLARK SPOKE TO. AND FINALLY WE HAVE WHAT WE CALL A CONTINGENCY RESERVE, WHICH IS ONE PERCENT OF GENERAL FUND EXPENDITURES. OURS IS ABOUT \$4.3 MILLION THIS YEAR. AND THAT RELATES TO -- I THINK EQUATES TO THE RESERVE THAT CLARK'S TALKED ABOUT, THE ALLOCATED RESERVE. AND THAT IS A RESERVE THAT THE CITY HAS DIPPED INTO IN PAST YEARS, EITHER IF WE HAVE COST OVERRUNS, COULD HAVE BEEN COST OVERRUNS EVEN ON A CIP PROJECT OR COST OVERRUNS ON A PROJECT IN THE OPERATING BUDGET THAT WE HAVE USED AND THEN REPLENISHED IN THE FOLLOWING YEAR.

Slusher: OKAY. WELL, I THINK THAT ANSWERS MY QUESTION.

BASED ON WHAT WE'RE GOING TO DO IN A SITUATION WHERE THERE HAD TO BE CUTS NEXT YEAR OR TO HAVE BEEN CUTS AND TAX INCREASES JUST TO KEEP THE SERVICES THERE ARE GOING TO BE THIS YEAR.

RIGHT. ABSOLUTELY RIGHT.

Slusher: THANK YOU. I KNOW YOU HAVE A TOUGH JOB AND I APPRECIATE YOU -- WHAT YOU'RE WILLING TO DO.

Mayor Wynn: THANK YOU, COUNCILMEMBER. FURTHER COMMENTS? QUESTIONS? COUNCILMEMBER ALVAREZ.

Alvarez: THANKS, MAYOR. AND THANK YOU, MR. HEIDRICH FOR ALL YOUR HARD WORK AND ALL THE DISTRICT BOARD MEMBERS THAT HAVE BEEN WORKING VERY HARD AND VERY LONG HOURS THE LAST COUPLE OF WEEKS, THREE WEEKS OR SO. AND IT SEEMS LIKE IT'S BEEN MUCH LONGER THAN TWO OR THREE WEEKS, BUT I APPRECIATE YOU ALL DIVING IN AND REALLY KIND OF TRYING TO GET A HANDLE ON THE FINANCIAL PIECE OF THIS, WHICH OBVIOUSLY IS VERY COMPLEX WITH ALL THE DIFFERENT ELEMENTS TO THE BUDGET. BUT REALLY I JUST WANTED TO REITERATE WHAT COUNCILMEMBER SLUSHER WAS MENTIONING ABOUT THE RESERVE BECAUSE TO A CERTAIN EXTENT IT'S BEEN WHAT WE'VE BEEN -- WHAT'S BEEN IN DISCUSSION THE MOST, AT LEAST CERTAINLY ON A PUBLIC LEVEL, IN THE MEDIA, ETCETERA. AND I THINK PART OF THE REASON WE DID WANT TO STEP UP AND DO MORE TO HELP THE DISTRICT WAS TO MAKE SURE Y'ALL WERE ON SOUND FINANCIAL FOOTING. SO WE DID BASICALLY TRY TO STEP UP TO PROVIDE MORE RESOURCES THAT AREN'T NECESSARILY DICTATED IN THE STATUTE, THE STATE STATUTE THAT TALKS ABOUT THE CREATION OF THESE DISTRICTS, BUT THAT'S WHY WE DID ORIGINALLY SET ASIDE 3 MILLION FOR A RESERVE, AND ACTUALLY AN ADDITIONAL 4 MILLION BASED ON SOME OF THE DISCUSSIONS THAT TOOK PLACE, AND EVEN SOME OF THE ADDITIONAL DISPRO THAT CAME IN FOR THE TIME THAT THE CITY WAS RUNNING THE CLINICS, WHICH I GUESS ARGUABLY COULD HAVE BEEN USED FOR OTHER THINGS, BUT WE SAID LET'S USE THAT ALSO TO HELP SUPPORT THE DISTRICT'S EFFORT AS WELL AS LOOKING AT OUR TAX RATE VERY LONG AND HARD TO MAKE SURE THAT

EVERY SINGLE BIT THAT COULD BE JUSTIFIABLY TRANSFERRED TO THE DISTRICT WAS AND THAT'S WHY WE ACTUALLY HAVE THREE ADJUSTMENTS TO THAT TAX RATE THAN WE HAD ORIGINALLY, I GUESS, ANTICIPATED THE LEVEL AT WHICH WE HAD ANTICIPATED. SO REALLY I THINK THE CITY'S BEEN WANTING TO HELP AS MUCH AS POSSIBLE, AND FOR ME PARTLY WHAT I WANT TO COMMUNICATE IS THAT WE TRY TO BE AS -- WE TRY TO BE AS TIEW TO WHAT IS BEING DISCUSSED IN TERMS OF THESE MONIES FOR THE RESERVE. AND IF THAT INDEED IS WHAT YOU ALL FEEL IS THAT YOU NEED FOR A RESERVE, IS THAT WHAT THAT MONEY CONTINUES TO BE USED FOR, BECAUSE AGAIN THAT'S WHAT -- I THINK IF WE ☐ HAVE SORT OF THAT -- THAT RESPONSIBILITY TO THE PUBLIC, THE VOTERS, TO THE FOLKS WHO ASK THAT THE PETITION BE CREATED AND THE CITY TAXPAYERS, TO A CERTAIN EXTENT ARE FOREGOING THESE \$7 MILLION OR \$10 MILLION THAT COULD BE USED FOR OTHER THINGS, BUT THAT'S PART OF THE REASON I THINK WE WANT TO MAKE SURE THAT WE HAVE A VERY STRONG POLICY ON WHAT THE RESERVE FUND ARE USED FOR IS SO THAT WE MAKE SURE THAT ALL THAT'S BEEN DISCUSSED HAS BEEN IN GOOD FAITH AND THAT WE DON'T TURN AROUND AND USE THAT MONEY FOR SOME OTHER PURPOSE BUT WE APPRECIATE YOU STAYING TRUE TO THE FACT THAT WE WANTED TO KEEP THE TAX RATE AT THE SAME LEVEL BECAUSE THAT IS I THINK ANOTHER VERY IMPORTANT COMMITMENT THAT WAS MADE TO THE PUBLIC AND TO THE VOTERS, AND I THINK JUST A LOT OF THINGS THAT WERE KIND OF MISUNDERSTOOD ALONG THE WAY ABOUT WHAT REALLY WAS ON THE TABLE AND WASN'T ON THE TABLE. BUT EVERYTHING HAS BEEN MOVING SO FAST, AND WE REALLY APPRECIATE ALL THE TIME AND EFFORT THAT YOU ALL HAVE PUT AND WANT TO CONTINUE TO HELP IN WHATEVER WAY WE CAN, BUT HOPEFULLY THIS WILL -- THIS WILL PUSH US AHEAD AND WE CAN GET TO THE BUSINESS OF PROVIDING FOR THE HEALTH CARE OF THE COMMUNITY. BUT THANK YOU VERY MUCH.

THANK YOU. AND ON BEHALF OF MY EIGHT COLLEAGUES AND I, WE APPRECIATE WHAT YOU'VE DONE, AND WE DO THINK THIS HELPS US GET OFF TO A GOOD START. WE APPRECIATE IT. MARY

Mayor Wynn: THANK YOU, COUNCILMEMBER.
COUNCILMEMBER DUNKERLEY.

Dunkerley: I DO WANT TO EXPRESS -- [INAUDIBLE - NO MIC] -- MY THANKS NOT ONLY TO MR. HEIDRICH AND TO ALL THE BOARD. I THINK AS WE WENT THROUGH THIS PROCESS, THE CITY HAS DEALT WITH HEALTH CARE FOR A LONG TIME, FOR 100 YEARS. AND I THINK WE'VE TRIED VERY, VERY HARD TO BE GOOD STEWARDS. NOT ONLY WITH THE MONEY THAT WENT INTO IT, BUT JUST THE SAFETY NET ITSELF. WE'RE HANDING OFF TO YOU WHAT I THINK ARE TWO OUTSTANDING CONTRACTS, THE MANAGEMENT OF THE FIFTH FLOOR WOMEN'S HOSPITAL AND THE SETON HOSPITAL, AND WE'RE HANDING OFF A NATIONALLY RECOGNIZED FQHC CLINIC GROUP. BUT NOT WITHOUT SOME ANG ANGST. AND I THINK WE FEEL THAT BECAUSE REALLY I'VE BEEN TRYING TO THINK OF HOW TO RELATE WHAT THAT FEELING IS. AND IT'S ALMOST LIKE EITHER ASSUMING YOUR O. OWE SENDING YOUR FIRST CHILD OFF TO FIRST GRADE OR SENDING THEM OFF TO COLLEGE OR MAYBE WHAT A FATHER FEELS WHEN THEY'RE WALKING DOWN THE AISLE WITH THEIR DAUGHTER TO GET MARRIED. IT'S THAT FEELING OF EXCITEMENT, HOPE, AND JUST A LITTLE TWINGE, AS I SAY, OF ANGST THAT WE'RE NOT GOING TO BE AS INVOLVED AS WE WERE BEFORE. BUT I THINK WHAT MAKES THAT PALATABLE, AT LEAST, IN THIS CASE IS THAT I THINK FOR THE FUTURE OF THE HEALTH AND STRENGTH OF THAT SAFETY NET WE'RE MAKING THE RIGHT DECISIONS BECAUSE IT WILL BE FUNDED ON A COUNTY-WIDE BASIS, WHICH MEANS THAT EVERY CENT OUR TAXPAYERS PAY REALLY BRINGS IN MORE MONEY THAN IT DID BEFORE. AND I THINK WE HAVE AN OUTSTANDING BOARD. AND SO WITH THOSE TWO THINGS IN MIND, I THINK WE'VE ALLOCATED, GIVEN YOU ENOUGH ASSETS AND ALLOCATED ENOUGH FUND BALANCE THAT YOU HAVE A REALLY GOOD CHANCE OF SUCCESS, AND MY BEST WISHES GO WITH ALL OF YOU FOR THAT. AND MY ANGST. THANKS.

Mayor Wynn: FURTHER COMMENTS? MAYOR PRO TEM.

Goodman: IF I COULD ADD TO THAT JUST A LITTLE. I THINK COUNCILMEMBER SAID THAT VERY WELL. I HADN'T THOUGHT OF THE BRIDE AND GROOM THING, BUT THAT'S GOOD. THE

CITY I THINK HAS BEEN STELLAR IN COMMITMENT AND STEWARDSHIP AND TAKING RESPONSIBILITY FOR PUBLIC HEALTH CARE AND MEDICAL CARE FOR ALL THESE HUNDREDS PLUS YEARS. SO THE GOAL OF THIS ACTION AT THE BALLOT BOX WAS SO THAT THE LOAD WOULD BE MORE FAIRLY SHARED. AND THAT HAS BEEN SOMETHING THAT I WISH WOULD COME UP MORE OFTEN IN RECENT CONVERSATIONS FROM OTHER ENTITIES. SO I WANT US ALL TO REMEMBER THAT THE GOAL WAS TO REMAIN COMMITTED IN THIS AREA, TO EXPAND WHEN POSSIBLE TO OTHER COUNTIES, WHO ALSO CAN CANNOT OWN THOSE FACILITIES AND SERVICES AND CARE AND COMMITMENT, AND TO REMEMBER THAT WE WILL ALL BE MORE HEALTHY REGION WHEN WE ALL SHARE THE LOAD FAIRLY AND EQUALLY. SO I HOPE THAT WHAT SEEMED INAPPROPRIATE COMMENTS ALONG THE WAY ARE NOW BEHIND US AND WE ALL IN TAKING UP THE SHARE OF THE LOAD ALSO TAKE UP THE SHARE OF COMMITMENT AND RESPONSIBILITY THAT THE CITY HAS PUT FORWARD FOR LO THESE MANY YEARS, AND WE CAN LEAVE OTHER PETTY DISAGREEMENTS BEHIND US NOW. THANKS, MAYOR.

Mayor Wynn: THANK YOU, MAYOR PRO TEM. FURTHER COMMENTS, QUESTIONS? IN NOT, I'LL ENTERTAIN A MOTION ON ITEM 20, WHICH WAS THE INTERLOCAL AGREEMENT WITH THE NEW TRAVIS COUNTY HOSPITAL DISTRICT. MOTION MADE BY COUNCILMEMBER DUNKERLEY, SECONDED BY THE MAYOR PRO TEM TO APPROVE ITEM 20, THIS INTERLOCAL. FURTHER COMMENTS? ALL THOSE IN FAVOR, PLEASE SAY AYE.

AYE.

Mayor Wynn: OPPOSED? MOTION PASSES ON A VOTE OF SEVEN TO ZERO. ITEM NUMBER 21 MIGHT BE THE PROVERBIAL WALK DOWN THE AISLE [LAUGHTER]

ITEM NUMBER 21 IS THE LAST HOSPITAL DISTRICT-RELATED ITEM AND THE LAST ITEM ON YOUR AGENDA TODAY, MAYOR. THIS IS AN ITEM TO APPROVE AN ORDINANCE AUTHORIZING THE NEGOTIATION AND EXECUTION OF ALL THE DOCUMENTS NECESSARY TO TRANSFER OWNERSHIP OF THE BRACKENRIDGE HOSPITAL, INCLUDING THE CHILDREN'S

HOSPITAL, TO THE HOSPITAL DISTRICT.

Mayor Wynn: THANK YOU, MR. STEPHENS. QUESTIONS, COMMENTS?

Goodman: SO MOVE, MAYOR.

Mayor Wynn: MOTION MADE BY MAYOR PRO TEM, SECONDED BY COUNCILMEMBER DUNKERLEY TO APPROVE ITEM 21. I WILL SAY IN CLOSING THIS IS OUR LAST AGENDA ITEM ON THIS YEAR'S BUDGET MEETING. THE CITY OF AUSTIN HAS A BIG, COMPLICATED ANNUAL BUDGET, AND ALTHOUGH WE WERE ABLE TO GET THROUGH IN IN ONE DAY, THAT IS, ONE READING, AS WE'VE LEARNED, THIS BUDGETARY PROCESS REALLY AT THE CITY IS ESSENTIALLY A YEAR-ROUND EXERCISE NOW BY NECESSITY AS APPROPRIATE. THESE ARE TOUGH TIMES AND TOUGH DECISIONS. I'M SURE WE WILL TALK TO THE PRESS AND OTHER CITIZENS THROUGHOUT THE DAY AND THE COMING DAYS ABOUT THIS BUDGET, THE HIGHLIGHTS, THE LOW LIGHTS PERHAPS, JUST THE CHALLENGES IN THIS BUDGET. ULTIMATELY I'D CHARACTERIZE THIS BUDGET AS AN OPTIMISTIC BUDGET. THIS IS PERHAPS OUR FIRST BUDGET IN FOUR IN WHICH WE SEE THE LIGHT AT THE END OF THE TUNNEL. WE SEE LOCAL GOVERNMENT REVENUES BEGINNING TO INCREASE AGAIN. WE'RE TRYING TO REBUILD SERVICES THAT HAVE BEEN CUT PRETTY DRAMATICALLY OVER THE LAST THREE OR FOUR YEARS, BUT IT'S ALSO OPTIMISTIC IN MY OPINION, APPROPRIATELY SO, BECAUSE WITH THESE LAST THREE ITEMS HERE, WE'RE HOPEFULLY SETTING THE TRAVIS COUNTY HOSPITAL DISTRICT OFF TO A SOUND START. THEY ARE MADE UP OF A BOARD OF LOCAL CITIZENS WHO ARE DEDICATED TO DELIVERING ON THAT CORE MISSION, AND WE AS A CITY SHOULD BE PROUD OF THE ROLE THAT WE HAVE PLAYED FOR 100 YEARS OR SO WITH OWNERSHIP OF OUR PUBLIC HOSPITAL. NOW WE'RE GIVING THOSE -- THAT TITLE AND THAT RESPONSIBILITY OVER TO A HOSPITAL DISTRICT, BUT OF COURSE WE KNOW THAT ULTIMATELY WE'RE GOING TO BE THERE WITH THEM, THIS NEW GOVERNMENT, AS WE TRY TO DELIVER SOME VERY IMPORTANT CORE SERVICES TO MANY, MANY CITIZENS HERE IN TRAVIS COUNTY AS WELL AS APPROPRIATELY REPRESENTING A FISCALLY RESPONSIBLE APPROACH TO

THAT, THERE BY REPRESENTING ALL OF OUR TAXPAYERS. SO I APPRECIATE THE CITY MANAGER AND HER OFFICE FOR THIS BUDGET. IT WAS A LOT OF WORK. AGAIN, IT'S REALLY BEEN NONSTOP NOW FOR THE SEVERAL YEARS THAT I'VE BEEN PAYING CLOSE ATTENTION TO IT. AND I APPRECIATE MY COLLEAGUES FOR ALL THE WORK THAT YOU ALL HAVE PUT INTO THIS APPROVAL PROCESS. YOU KNOW, THERE'S A LOT OF DETAILS BEHIND ALL OF THESE SEEMINGLY EASY, UNANIMOUS VOTES THAT GET US TO THIS POINT. SO AGAIN, I APPRECIATE ALL THE TIME AND EFFORT, AND WE HAVE A MOTION AND A SECOND ON THE TAINL TO APPROVE ITEM NUMBER 21 RELATED TO THE TRAVIS COUNTY HOSPITAL DISTRICT. FURTHER COMMENTS? COUNCILMEMBER THOMAS.

Thomas: I JUST WANT TO SAY TO OUR CITY MANAGER, WE REALLY APPRECIATE THE HARD WORK YOU DO. WE APPRECIATE YOUR STAFF. WE APPRECIATE YOU PREPARING THE BUDGET THAT -- THIS IS HISTORY TODAY FOR ALL THREE READINGS. BUT TO THE HOSPITAL DISTRICT, I THINK THE MAIN THING, THE RESERVES AND ALL THAT IS VERY IMPORTANT, BUT LIKE COUNCILMEMBER DUNKERLEY WAS SAYING, WE'RE HANDING AWAY -- DAD GIVE AWAY HIS DAUGHTER BEING MARRIED, WE'RE HANDING YOU A HOSPITAL THAT WE TAKE PRIDE IN, AND THE MAIN THING THAT WE ARE CONCERNED ABOUT IS MAKING SURE THAT THE HEALTH CARE FOR THE CITIZENS OF AUSTIN AND TRAVIS COUNTY ARE TAKEN CARE OF. WE FEEL VERY -- I DO FEEL COMFORTABLE THAT YOU WOULD MAKE SURE THAT THE ADMINISTRATIVE THINGS WOULD BE DONE. I WANT TO SAY THAT TO OUR CITY MANAGER AND THE STAFF BECAUSE SHE DID AN EXCELLENT JOB ON THIS.

Mayor Wynn: THANK YOU, COUNCILMEMBER. FURTHER COMMENTS? HEARING NONE, ALL THOSE IN FAVOR PLEASE SAY AYE.

AYE.

Mayor Wynn: OPPOSED? ITEM NUMBER 21 PASSES ON A VOTE OF SEVEN TO ZERO. I THINK PERHAPS MR. GARZA HAD ONE CLEANUP NOTE BEFORE WE --

RUDY IN HIS MUSICAL ENDING THEMES, AND NOW HE HAS NOT SHARED THIS WITH ME, I CAN ONLY HOPE IT IS AN OPTIMISTIC MUSICAL ENDING.

IT IS VERY OPTIMISTIC. BUT FIRST I WANT TO SAY FOR THE RECORD, FOR A GUY WHO WANTS TO WALK ANY OF MY DAUGHTERS DOWN THE AISLE WILL HAVE TO DO IT WITH BUSTED KNEES. [LAUGHTER]

ON THAT OPTIMISTIC NOTE, OUR GROUCHY BUDGET DIRECTOR.

YOU DID SET THE STAGE PERFECTLY. ALMOST LIKE WE HAD SCRIPTED IT OUT TOGETHER. SO IN TYPICAL AUSTIN FASHION, I THINK THE SONG KIND OF TELLS US WHERE WE'RE GOING. SO IF OUR TECH GUYS CAN MOVE ALONG, IF THEY'RE STILL AWAKE...

Futrell: RUDY, YOUR MUSIC DIDN'T HIT ON CUE.

I'M NOT SURE WHAT'S GOING ON. HAPPY HOUR WAS OVER AT 1:00 O'CLOCK. I DON'T KNOW WHAT HAPPENED TO THESE GUYS.

Futrell: ANTI-CLIMACTIC.

YOU DON'T WANT ME TO SING. THE OPTIMISM WOULD BE RUINED.

Mayor Wynn: AS WE WAIT FOR THE MUSIC, I'LL ENTERTAIN A MOTION TO ADJOURN. MOTION BY COUNCILMEMBER ALVAREZ. SECONDED BY COUNCILMEMBER MCCracken. TO APPROVE THIS MEETING. ALL IN FAVOR, PLEASE SAY AYE.

OPPOSED? THANK YOU, WE'RE ADJOURNED.

Futrell: AND WE MAY JUST LEAVE YOU GUESSING WITH THE MUSICAL ENDING.

ALL RIGHT. KEEP GUESSING IN THE NEXT YEAR.

End of Council Session Closed Caption Log

