

Closed Caption Log, Council Work Session, 02/16/11

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MAYOR LEFFINGWELL: GOOD AFTERNOON. ARE WE ON? I'M AUSTIN MAYOR LEE LEFFINGWELL. A QUORUM OF THE COUNCIL IS PRESENT. SO I'M GOING TO CALL THIS MEETING OF THE AUSTIN CITY COUNCIL WORK SESSION TO ORDER ON WEDNESDAY, FEBRUARY 16th, 2011. WE'RE MEETING IN THE BOARDS AND COMMISSIONS ROOM, CITY HALL, AUSTIN CITY HALL, 301 WEST WILLIE NELSON BOULEVARD, AUSTIN, TEXAS. SO WE WILL BEGIN TODAY WITH ITEM A ON OUR AGENDA, WHICH IS A DISCUSSION WITH REPRESENTATIVES OF AISD ON THE DISTRICT'S PROJECTED BUDGET SHORTFALLS IN THE NEXT BIENNIUM AND THE PROPOSED COUNCIL RESOLUTION SCHEDULED FOR ACTION ON FEBRUARY 17, 2011, WHICH IS TOMORROW. SO IF THE AISD FOLKS WANT TO COME UP AND TAKE A SEAT AT THIS TABLE RIGHT HERE, YOU CAN GO AHEAD AND BEGIN YOUR BRIEF PRESENTATION. AND I GUESS WE COULD BEGIN WITH INTRODUCTIONS. MARK WILLIAMS, PRESIDENT OF THE AISD SCHOOL BOARD.

THANK YOU, AND MAYOR, I APPRECIATE YOU HAVING US HERE, AS YOU SAID BRIEF PRESENTATION, YOU MUST NOT OBVIOUSLY WATCH SCHOOL BOARD MEETINGS. MARK WILLIAMS, PRESIDENT OF THE AUSTIN SCHOOL BOARD, JOINED BY DR. CARSTARPHEN AND MEL, WHO SERVES AS OUR INTERGOVERNMENTAL LIAISON. THANK YOU FOR HAVING US HERE TODAY. OBVIOUSLY A LOT OF ATTENTION ON PUBLIC EDUCATION ACROSS THE STATE, PUBLIC EDUCATION SCHOOL FINANCE IN PARTICULAR AND THE IMPLICATIONS THAT HAS ON AISD, AND THAT'S PLAYING OUT OBVIOUSLY ALREADY IN SOME OF THE ACTIONS WE'VE HAD TO TAKE. WHAT WE WOULD LIKE TO DO AS OUR PARTNERS AND GIVE YOU A CHANCE TO GET A PERSPECTIVE ABOUT WHERE OUR BUDGET SITUATION IS, WHAT'S HAPPENED TO STATE, WHAT THAT MEANS FOR US LOCALLY. THERE'S BEEN A LOT OF CONVERSATION ABOUT ANOTHER INITIATIVE ABOUT A FACILITY MASTER PLANNING TASK FORCE WHICH PRESENTED A REPORT, AN UPDATE TO THE BOARD ON MONDAY, WHICH HAS REALLY BEEN THE CULMINATION OF NINE MONTHS OF EFFORT WHICH STARTED WITH A CONCEPT ABOUT TRYING TO CREATE A 10-YEAR MASTER PLAN FOR THE DISTRICT TO GUIDE A LOT OF OUR DECISIONS, AND THAT'S GENERATED A LOT OF ATTENTION IN OUR COMMUNITY. WE'LL WRAP IT UP AND OPEN FOR QUESTIONS, BUT REALLY SOME OPPORTUNITIES TO WORK WITH THE CITY IN A COLLABORATIVE WAY TO TRY TO FACE THE MUTUAL CHALLENGES WE'RE FACING. I WOULD LIKE TO TURN IT OVER TO NICOLE, AND SHE DOES HAVE A PRESENTATION.

THANK YOU, IT'S A PLEASURE TO BE WITH YOU TO SHARE THE COMMUNITY FINANCIAL LANDSCAPE AISD IS FACING. I JUST WANT TO TALK A LITTLE ABOUT THE OVERALL FINANCIAL LANDSCAPE. ABOUT 70% OF OUR BUDGET IS DERIVED FROM LOCAL REVENUE, PRIMARILY GENERATED THROUGH TAX COLLECTION, AND SO FOR THE PAST FEW YEARS WE'VE EXPERIENCED DECLINES IN OUR ASSESSED VALUES. IN 2010 WE EXPERIENCED ABOUT A 3.66% DECLINE. WE'RE PROJECTING ANOTHER 2.75% TO 1% DECLINE FOR 2011, WITH SOME PROBABLY MODEST GROWTH IN TAX YEAR 2012. AS I'M SURE YOU ALL ARE AWARE, STATE COMPTROLLER'S SUSAN COMBS, WHICH SHE RELEASED REVENUE ESTIMATES FOR THE BIENNIUM, CONFIRMS SPECULATION THAT THE STATE IS GOING TO BE FACING ANYWHERE FROM A 22 BILLION TO \$28 BILLION DEFICIT. IN RESPONSE BOTH THE TEXAS HOUSE AND SENATE HAVE RELEASED APPROPRIATION BILLS THAT PROPOSE CUTS

TO THE FOUNDATION FORMULA FOR DISTRICTS THAT RANGE ANYWHERE FROM 9.3 TO \$9.8 BILLION. AT THE SAME TIME WE'RE EXPERIENCING THE EXPIRATION OF FEDERAL STIMULUS DOLLARS OF WHICH AISD RECEIVED ABOUT 64 MILLION OVER TWO YEARS USED TO SUPPORT IMPORTANT PROGRAMMING FOR SPECIAL EDUCATION, SUPPLEMENTAL PROGRAMS THROUGH TITLE 1, EARLY CHILDHOOD EDUCATION SUCH AS PRE-K AND OUR DUAL LANGUAGE PROGRAM. NOW WE'RE AT THE POINT OF HOW DO WE ABSORB THIS PROGRAMMING WITHIN OUR LOCAL REVENUE STREAMS OR ELSE THE PROGRAMMING WILL SUNSET. JUST A LOOK AT SORT OF OUR STRUCTURAL IMBALANCE THAT WE'VE BEEN EXPERIENCING OVER THE LAST TWO FISCAL YEARS, WITHOUT THE ANTICIPATION OF ANY REDUCTIONS IN STATE REVENUE, OUR EXPENDITURES ARE BASICALLY OUTPACING OUR REVENUE BY A LITTLE OVER 2% ANNUALLY IN F.Y. 11. WE'RE ONE OF TWO DISTRICTS IN THE SECTION THAT PARTICIPATES IN SOCIAL SECURITY PROGRAM. WE'RE ONE OF 47. THAT'S A UNIQUE LIABILITY THAT AUSTIN ISD EXPERIENCES. IT COSTS THE SCHOOL DISTRICT \$44 MILLION TO MEET THOSE OBLIGATIONS, SO MOST SCHOOL DISTRICTS DON'T HAVE TO ACCOUNT FOR THAT AS PART OF OUR OPERATING EXPENDITURES WHILE AUSTIN ISD MUST PLAN TO ABSORB THOSE COSTS. AND IT CAN BE VIEWED FAVORABLY OR UNFAVORABLY DEPENDING WHERE YOU ARE AT IN YOUR CAREER EXPERIENCE. AUSTIN ISD HAS ALSO CONSIDERED A PROPERTY WEALTH DISTRICT UNDER THE STATE'S FINANCING FORMULA. UNDER THE TEXAS EDUCATION CODE, ALSO KNOWN AS RECAPTURE OR ROBIN HOOD, WE HAVE TO BASICALLY SIPHON LOCAL GENERATED TAX REVENUE TO THE STATE SO THAT THEY MAY MAKE PAYMENTS TO WHAT THEY CONSIDER PROPERTY POOR DISTRICTS. SO OUR COMPRESSED TAXABLE RATE, ANYTHING UP TO A DOLLAR IS SUBJECT TO RECAPTURE. ALSO THE SIX CENTS ON TOP OF THAT DOLLAR COMPRESSED RATE OR THE GOLDEN PENNIES, AND THAT'S NOT SUBJECT TO RECAPTURE, BUT EVERYTHING OVER THE SIX CENTS IS. WE BASICALLY HAVE TO SEND BACK 40% ON A RECAPTURE. THIS YEAR WE'RE EXPECTED ON SEND BACK UP TO 133 MILLION FOR REDISTRIBUTION UNDER THE FORMULA. IF YOU LOOK AT WHAT WE'VE PAID TO THE STATE UNDER RECAPTURE OVER THE LAST TEN YEARS, WE'VE SENT ABOUT 1.3 BILLION UNDER RECAPTURE TO REDISTRIBUTE TO OTHER PROPERTY POOR DISTRICTS. IF YOU NET OUT WHAT WE RECEIVE FROM THE STATE IN TERMS OF AID UNDER THE FORMULA, IT STILL TRANSLATES TO ALMOST THREE-QUARTERS OF A BILLION DOLLARS. A SUBSTANTIAL AMOUNT OF LOCAL REVENUES THAT ARE ACTUALLY GOING TO THE STATE TO SATISFY THE ROBIN HOOD REQUIREMENTS. AS A RESULT OF OUR FINANCIAL CONDITION, WE'VE BEEN AUSTERITY PLANNING FOR THE LAST TWO YEARS. WE'VE CUT OUT ABOUT 27.7 MILLION OUT OF OUR BUDGETS. WE'VE DONE SO THROUGH ELIMINATION OF POSITIONS AND REALIZING LOW HANGING FRUIT TO SORT OF MEET BUDGETARY CONSTRAINTS OVER THE LAST FEW FISCAL YEARS. OBVIOUSLY WITH THE MAGNITUDE OF THE DEFICIT WE'RE FACING IN 2012, WE CANNOT ABSORB THE DEFICIT THAT WE'RE FACING WITHOUT PASSING ON ADDITIONAL REDUCTIONS TO LOCAL CAMPUSES, SO THIS WILL BE SORT OF THE FIRST YEAR THAT OUR CAMPUSES WILL EXPERIENCE SIGNIFICANT DECLINES IN THE RESOURCES THAT THEY RECEIVE AT THE LOCAL CAMPUS LEVEL. WHEN WE LOOK AT THE STATE BUDGET, THE IMPACT, THE LOOMING STATE BUDGET CUTS, THERE'S SPECULATION AS TO WHAT THE RESULTING AMOUNT OF CUTS WILL BE TO LOCAL SCHOOL DISTRICTS. BUT THERE HAVE BEEN MANY SCENARIOS THAT HAVE BEEN PRESENTED IN ORDER TO PLAN FOR THE STATE BUDGET CUTS. BOTH THE HOUSE AND SENATE BILL HAVE PROPOSED CUTS THAT WOULD TRANSLATE INTO 5 BILLION OVER THE TWO YEAR BIENNIUM. WE'RE ASSUMING THERE ARE GOING TO BE A POTENTIAL 4 BILLION CUT TO THE PUBLIC SCHOOL FOUNDATION PROGRAM, AND EVEN WITHIN THAT WE'RE ASSUMING THAT THE STATE WILL APPLY THOSE CUTS PROPORTIONATELY. SO WHEN YOU LOOK AT OUR MODEST OPERATING DEFICIT AS WELL AS THE ANTICIPATED \$79.1 MILLION IN STATE REVENUE REDUCTIONS THAT WE'RE ANTICIPATING AS A RESULT OF THAT \$4 BILLION CUT, AND WE HAVE ABOUT 3.8 MILLION IN REQUIRED SORT OF MANDATORY COSTS THAT WE HAVE TO SATISFY, AISD IS FACING A TOTAL DEFICIT OF ABOUT \$94.4 MILLION. IN LOOKING AT THAT DEFICIT ASSUMPTION, IT COULD GET EVEN WORSE FOR AUSTIN. IF THE STATE UTILIZES THE WEALTH BASED APPROACH TO APPLY THE CUTS, WE COULD SORT OF -- WE WOULD HAVE TO PLAN FOR ANOTHER -- A RANGE OF 45 MILLION TO 95 MILLION ON TOP OF

THE 94.4 MILLION THAT WE ARE ASSUMING. SO RIGHT NOW WE'RE ASSUMING 79.1, AND THEN LOOKING AT THE MIDDLE COLUMN WE'RE ASSUMING A 4 BILLION CUT TO THE FOUNDATION PROGRAM. THE BEST CASE SCENARIO FOR AUSTIN IS THAT THE STATE WOULD APPLY THOSE CUTS PROPORTIONATELY ACROSS ALL SCHOOL DISTRICTS ACROSS THE STATE. NOW, IF THE STATE CHOOSES TO ADJUST TARGET REVENUE OR CAP TARGET REVENUE, WHICH IS BASICALLY A HOLD HARMLESS THAT WAS PUT INTO PLACE WHEN THE STATE FIRST MADE CHANGES TO THE TAX LAW WHICH, I BELIEVE, IN EARLY 90s, THAT WOULD ALLOW US TO MAINTAIN OUR REVENUE ASSOCIATED WITH 2005, 2006 LEVELS. SO IF THEY CHOOSE TO NEUTRALIZE THAT DECISION AND BASICALLY APPLY THE CUTS AND REDUCE THE TARGET REVENUE TO ADD MORE EQUITY ACROSS THE STATE OF TEXAS, WE COULD FACE \$174.1 MILLION LOSS IN STATE REVENUE. NOW, IF THEY DECIDED TO UTILIZE PRORATION, A CURRENT METHOD THAT WAS DRAFTED IN EARLY '90s AGAIN, BUT IT WAS PRIOR TO THE INCEPTION OF ROBIN HOOD OR RECAPTURE, BUT IT STILL REMAINS IN THE EDUCATION CODE MEANING WHICH IS THE LEGISLATIVE METHODS THEY HAVE TO APPLY THE CUTS, WE WOULD LOSE 154.5 MILLION OR POINT 6 MILLION UNDER THAT SCENARIO. ANY SORT OF WEALTH BASED APPROACH WOULD CERTAINLY ADVERSLY AFFECT AUSTIN MORE SO THAN MANY OF THE OTHER SCHOOL DISTRICTS ACROSS THE STATE. AND WE DO HAVE EARLY INDICATIONS THAT, YOU KNOW, WE'VE HEARD DISCUSSIONS, RECENT DISCUSSIONS OF THE SUBCOMMITTEE ON EDUCATION THAT THEY ARE LOOKING TOWARDS ADJUSTING THE TARGET REVENUE. THAT THEY WOULD LIKE TO SEE TO LEVEL OUT THE DISPARITIES IN SOME OF THE TARGET REVENUE SCENARIOS, SO WE MOST LIKELY WILL SEE A COMBINATION OF SOME KIND OF METHODOLOGY THAT WOULD TAKE INTO ACCOUNT A REDUCTION IN TARGET REVENUE. WE'LL WE'RE PLANNING FOR THE BEST CASE SCENARIO, I THINK THE RESULTING CUTS THAT WE WILL HAVE TO FACE WILL PROBABLY NOT -- WE PROBABLY WILL HAVE TO EXPERIENCE A HIGHER LEVEL OF REDUCTION BECAUSE I DO THINK THEY ARE GOING TO USE A WEALTH BASED APPROACH. BUT THE QUESTION IS HOW MUCH IS ULTIMATELY GOING TO BE CUT OUT OF THE FOUNDATION FORMULA, 5 BILLION, 4 BILLION OR 2 BILLION. THERE ARE OPTIONS SUCH AS THE RAINY DAY FUND AND ACCOUNTING MECHANISMS THEY COULD UTILIZE TO REDUCE THE LEVEL OF CUTS TO THE FOUNDATION PROGRAM. ON JANUARY 24th, THE ADMINISTRATION PRESENTED SOME OPTIONS TO THE BOARD TO CLOSE THAT \$94.4 MILLION GAP. THEY TOTAL ABOUT 62.8 MILLION, AND THEY VIRTUALLY AFFECT EVERY AREA OF THE SCHOOL SYSTEM. THEY LEVERAGE RECOMMENDATIONS FROM OUR COMMUNITY AND BUDGET SURVEY AS WELL AS RECOMMENDATIONS FROM A TASB STAFFING REVIEW. WE RECENTLY ENGAGED WITH THE TEXAS ASSOCIATION OF SCHOOL BOARDS WHO COMMONLY CONSULT WITH DISTRICT AND THEY LOOK AT STAFFING AND COMPARE TO YOU COMPARABLE OR PEER DISTRICTS SEE WHETHER OR NOT YOU COULD REALIZE ANY EFFICIENCIES IN STAFFING, IN BENCH MARKING WITH REGARDS TO VARIOUS CLASSIFICATIONS OF POSITIONS. AND SO THEY IDENTIFIED OPPORTUNITIES FOR THE DISTRICT OF ABOUT 45 MILLION OR SO. PRIMARILY UNFORTUNATELY MOST OF THAT AREA WAS IN THE AREA OF SPECIAL EDUCATION. THEY FOUND THAT WE WERE OVERSTAFFED IN THE AREA OF SPECIAL EDUCATION, BUT BECAUSE OF FEDERAL AND STATE REQUIREMENTS FOR MAINTENANCE OF EFFORTS, IT'S DIFFICULT TO MAKE EXPENDITURE REDUCTIONS IN SPECIAL EDUCATION. WITNESS YOU EXPEND IT, YOU REALLY CAN'T GO BACK AND REPEAL THE SPENDING BECAUSE YOU HAVE TO MAINTAIN PREVIOUS LEVELS OF SPENDING. SO THAT TOOK OFF THE TABLE A SIZABLE OPPORTUNITY FOR US TO REALIZE ALL OF THE EFFICIENCIES. PART OF THE 62.8 MILLION GO TO REALIZE MANY OF THE EFFICIENCIES RESULTING FROM THE STUDY. WE'RE LOOKING TO REALIZE EFFECIENCIES IN FUEL AND TRANSPORTATION AND THE BOARD IS SCHEDULED TO TAKE ACTION ON DECLARATION OF FINANCIAL EXTINGENCY. WE'RE PROPOSING A REDUCTION OF 10,000 FTEs -- I'M SORRY, 1,000. I APOLOGIZE, 1017 FTEs, A COMBINATION OF POSITIONS AFFECTED BY THE GAP CLOSING EXERCISE. A THIRD OF THOSE POSITIONS ARE A RESULT OF EXPIRING STIMULUS DOLLARS AND STATE GRANT FUNDS THAT WE KNOW ARE NOT GOING TO BE SUSTAINED IN THE NEXT FISCAL YEAR, AND SOME ADDITIONAL OPPORTUNITIES TO RETOOL AND REORGANIZATION THE CENTRAL OFFICE. SO THERE'S ABOUT THREE SORT OF COMBINATIONS THAT ARE AFFECTING THE 1017 THAT IS BOARD IS

SET TO TAKE ACTION ON. A THIRD ARE EXPIRING GRANTS. WE REALIZE THE FACT THAT GOING BEYOND \$75 MILLION IN A SINGLE YEAR WOULD BE DIFFICULT FOR AUSTIN ISD SO WE'RE LOOKING AT IMPLEMENTING THE MAGNITUDE OF CUTS THAT WE SAY OVER THE NEXT FEW YEARS BECAUSE ABSORBING IT ALL IN ONE YEAR IS SOMETHING THAT WE BELIEVE WOULD HAVE DETRIMENTALLY AFFECTED THE QUALITY OF EDUCATION ACROSS THE SYSTEM. JUST TO HIGHLIGHT SOME OF THE AFFECTED AREAS, VIRTUALLY INCREASING CLASS SIZES ACROSS THE BOARD FROM PRE-K TO 4, INCREASING TEACHER WORKLOAD, WE'RE LOOKING AT SHARED SERVICES MODEL, REDUCING THE NUMBER OF PARENT SUPPORT SPECIALISTS AND THEY ARE GOING TO BE SHARED ACROSS CAMPUSES. WE'RE CHANGING THE MODELS FOR LIE BRAYANCE AT THE SECONDARY LEVEL. PROGRAMMATICALLY WE'RE CUTTING OUT PROGRAMMING AND REDUCING PROGRAMMING. WE'RE ONLY OFFERING MANDATED SUMMER REQUIREMENTS. WE'RE ELIMINATING SUPPORT COSTS FOR AT-RISK STUDENTS AND SOME OF THE INTERVENTIONS THAT WE ARE CURRENTLY HAVE IN PLACE FOR STRUGGLING SCHOOLS THAT ARE AT RISK AS PART OF THE STATE'S ACCOUNTABILITY STANDARD. REDUCING ATHLETICS BY 5% AND PROFESSIONAL DEVELOPMENT DAYS. AND OUR EMPLOYEES WILL SHARE A HUGE AMOUNT OF THE BURDEN. THEY WILL BE FACING HIGHER CONTRIBUTIONS FOR HEALTH, TWO UNPAID FURLOUGH DAYS, AND REDUCTION IN LEAVE DAYS. AND THAT'S ABOUT WHEN I CALCULATE IT, IT'S ABOUT A 2% PAY CUT WHEN YOU ADD UP ALL OF THOSE DIFFERENT FACTORS THAT EMPLOYEES WILL HAVE TO EXPERIENCE AS A RESULT OF THIS BUDGET REDUCTION PLAN. NOW, WE DID NOT OBVIOUSLY SATISFY THE FULL 94 MILLION. IT WILL REQUIRE AT A MINIMUM THAT THE DISTRICT USE AT LEAST 31.2 MILLION OF ITS FUND BALANCE TO GET TO THE 94.4 MILLION. ON TOP OF THE FACT THAT OUR PROPOSAL IS PREDICATED UPON SOME LEGISLATIVE RELIEF AT BOTH THE STATE AND THE LOCAL LEVEL, WE'RE ASKING FOR THE STATE TO APPROVE OUR ADDITIONAL WAIVERS FOR CLASS SIZE AS WE INCREASE CLASS SIZE BY TWO PUPILS AS WELL AS WE NEED THE LEGISLATIVE AUTHORITY TO IMPLEMENT THE FURLOUGH DAYS. SO IF THOSE THINGS DON'T HAPPEN, YOU COULD SEE US UTILIZING UP TO 46 MILLION OF OUR FUND BALANCE. OBVIOUSLY IF THE STATE CHOOSES TO CUT US EVEN FURTHER AND USE A WEALTH BASED APPROACH, WE WOULD HAVE TO ABSORB 45 TO 95 MILLION ON TOP OF THE 94.4, WHICH WOULD COMPLETELY DEplete OUR FUND BALANCE. SO WE WOULD NOT BE ABLE TO SURVIVE THOSE KINDS OF CUTS WITH WHERE WE'RE AT IN THE PROCESS AND WHAT WE'VE PROPOSED. WE WOULD DEplete OUR FUND BALANCE WHICH WOULD BE ENORMOUSLY COSTLY FOR AUSTIN, RIGHT, BECAUSE WE'RE ONE OF -- I'LL GET TO THAT, BUT WE HAVE A VERY HIGH BOND RATING AND IT TRANSLATES INTO OUR COST TO BORROW AND WE'VE BEEN SAVING TAXPAYERS OVER TIME THROUGH OUR BOND PROGRAM AS A RESULT OF OUR HIGH BOND RATING. AND SO ACCESSING FUND BALANCE BEYOND 15 MILLION PUTS US AT A DANGEROUS LEVEL. WE CERTAINLY WOULD NEED TO INSTITUTE CORRECTIVE ACTION PLANS IN ORDER TO CURE SOME OF THE STRUCTURAL DIFFICULTIES IN F.Y. 13 AND IT'S A ONE TIME OPTION. IT'S NOT AN ONGOING SOLUTION. FUND BALANCE ALREADY MATTERS TO US. IT'S NOT A RAINY DAY FUND LIKE THE STATE HAS, IT'S A CASH RESERVE FOR OUR OPERATING PURPOSES. WE ARE ONLY ONE OF SEVEN DISTRICTS IN THE STATE THAT HAS AN AAA RATING SO IN OUR LAST BOND ISSUANCE WE SAVED ABOUT 1.2 MILLION ANNUALLY OR 16.5 MILLION OTHER OVER THE LIFE OF THE BOND ISSUANCE SO WE DON'T HAVE TO INCREASE TAX RATES FOR THE DEBT COST AS A RESULT OF THAT. WE'RE REQUIRED BY STATE LAW TO ISSUE A TAX RATE TO COVER OUR DEBT SERVICE COSTS SO THE LOWER OUR COSTS ARE, THE BETTER IT IS FOR OUR TAXPAYERS. UNIQUE TO AUSTIN, WE DON'T GET A SUBSTANTIAL AMOUNT OF STATE AID IN TERMS OF INFLOW OF CASH. WE USUALLY DON'T EXPERIENCE CASH FLOW UNTIL WHEN EVERYBODY PAYS THEIR PROPERTY TAX BILLS WHICH IS ON DECEMBER 31st, SO THAT MEANS WE HAVE TO OPERATE FOUR MONTHS OF OUR PAYROLL WITHOUT AN IN FLOW OF CASH. SO WE'RE HEAVILY RELIANT UPON OUR FUND BALANCE TO MEET OUR CASH FLOW NEEDS. UNLIKE OTHER SCHOOL DISTRICTS WHO RECEIVE A LOT MORE STATE AID THAN WE DO. SO IT'S REALLY IMPORTANT FOR US TO MAINTAIN AN ADEQUATE RESERVE. THE LAST FEW YEARS WE HAVEN'T HAD TO GO OUT AND DO EXPENSIVE BORROWING AND ISSUE TAX ANTICIPATION NOTES AS A RESULT OF OUR FUND BALANCE LEVELS, AND WE ALSO HAVE TO

FLOAT FOR STATE AND FEDERAL GRANTS. MOST OF OUR GRANTS ARE REIMBURSABLE MEANING WE DON'T GET THE CASH UP FRONT. WE HAVE TO OUTLAY IT UP FRONT AND GET REIMBURSEMENTS LATER. OUR FUND BALANCE IS VERY IMPORTANT TO US AND CERTAINLY WE DON'T WANT TO SEE OURSELVES IN THE POSITION WHERE IT'S ALMOST NEARLY DEPLETED. AT THIS POINT I'M GOING TO LET THE SUPERINTENDENT TALK ABOUT THE FACILITIES IMPACT.

GOOD AFTERNOON, I'M SUPERINTENDENT FOR THE AUSTIN INSPECTED SCHOOL DISTRICT. I WANT TO THANK THE MAYOR AND CITY COUNCIL AND YOU ARE CITY MANAGER FOR HAVING US HERE TODAY. PERHAPS THE OPPORTUNITY TO SHARE THIS INFORMATION ABOUT OUR FISCAL CONTEXT WOULD NOT HAVE BEEN RAISED IF THE ISSUE OF THE FACILITY MASTER PLANNING PROCESS FOR AUSTIN INDEPENDENT SCHOOL DISTRICT WASN'T HAPPENING PARALLEL TO OUR BUDGET SCENARIO. OUR DEFICIT THAT NICOLE JUST TALKED ABOUT REPRESENTS ABOUT 13 TO 16% OF OUR OPERATING BUDGET, WHICH IS GOING TO BE THE LARGEST SINGLE DEFICIT THAT THIS DISTRICT HAS FACED POSSIBLY IN ITS HISTORY. OUR STAFF ACTUALLY MAKES UP ABOUT 85% OF THAT BUDGET SO THE 1,000 PLUS POSITIONS THAT YOU JUST HEARD ABOUT IS WHY YOU OFTEN SEE IN PUBLIC EDUCATION THAT THE BULK OF THE REDUCTION REALLY COMES OUT OF STAFFING. WE ARE A PEOPLE BUSINESS THAT EDUCATES LITTLE PEOPLE TO BECOME BIG PEOPLE. SO THERE'S A LOT OF PEOPLE INVOLVED AND THAT'S REALLY WHERE THE DOLLARS GO. HOWEVER, THERE IS A SECOND PART OF OUR BUSINESS. IT IS THE INFRASTRUCTURE PIECE TO WHERE WE PUT ALL OF THESE PEOPLE WHO EDUCATE THE LITTLE PEOPLE. AND THOSE ARE THINGS CALLED SCHOOL BUILDINGS AND FACILITIES. AND SO WE HAVE AN INFRASTRUCTURE COMPONENT TO OUR ENTERPRISE THAT MAKES UP ANOTHER PART OF OUR BUDGET WHERE WE BOND FOR BUILDINGS, WHERE WE PAY THE OPERATIONAL COSTS OF MAINTAINING THOSE BUILDINGS, AND SO ON. BUT BY NO MEANS IS IT POSSIBLE TO USE THE INFRASTRUCTURE PORTION OF WHAT WE DO IN OUR BUSINESS TO RIGHT SIZE OUR DEFICIT. THERE WAS A STRUCTURAL DEFICIT IN AISD WHICH IS YES IN LARGE PART OUR DOING. IT HOVERED AROUND, AT LEAST WHEN I CAME HERE, ABOUT 27 TO \$30 MILLION. AND WE'VE BEEN CHIPPING AWAY WITH THAT AT EVERY BUDGET CYCLE. BUT THE REMAINING, YOU KNOW, THE GAP BETWEEN THAT AND WHAT WE'RE TALKING ABOUT GIVEN THE POSITION THAT THE STATE IS IN IS A WHOLE NUTHER PIECE OF INFORMATION AROUND OUR BUDGET PLANNING THAT WAS NOT THE MAKING OF AISD AND IN NO WAY IS IT A MISMANAGEMENT OF RESOURCES IN THE DISTRICT. OUR BOARD HAS DONE A GREAT JOB OF TRYING TO WORK THROUGH THIS WITH THE ADMINISTRATION. BUT WHAT I WANT TO MAKE CLEAR IS THAT THE FACILITY PIECE, THE PIECE THAT HAS KIND OF RAISED ITSELF TO THE ATTENTION OF THE CITY REAL STARTED BACK IN MY FIRST YEAR IN WINTER OF 2009 WHERE THE BOARD MUCH LIKE EVERY BOARD BEFORE IT TALKED OPENLY ABOUT THE NEED TO HAVE A FACILITY PLANNING PROCESS. THIS DISTRICT HAS NOT DONE ANY COMPREHENSIVE PLANNING PROCESS SINCE I THINK THE 1980s. WE SAW THAT IN MULTIPLE, MULTIPLE REPORTS LEADING UP TO WHERE WE ARE TODAY THAT THERE WERE CONSTANT RECOMMENDATIONS THAT THE AUSTIN INDEPENDENT SCHOOL DISTRICT GO BACK AND LOOK AT ITS FACILITIES AND REALLY PLAN NOT ONLY FOR THE DEMOGRAPHICS OF THE SCHOOL COMMUNITY, BUT ALSO PLAN FOR THE KIND OF EDUCATIONAL PROGRAMS THAT KIDS WILL NEED TO BE SUCCESSFUL IN COLLEGE CAREER AND LIFE IN A RAPIDLY FLAT, HE EVOLVING ECONOMY. SO IT'S NOT JUST ABOUT, LIKE THE BUILDINGS, BUT IT'S ALSO ABOUT THE BUILDINGS THAT SUPPORT PROGRAMS THAT WILL DO A BETTER JOB OF EDUCATING KIDS FOR THE FUTURE. WILL HAVE TO KNOW THAT OUR INFRASTRUCTURE AND THE WAY THAT PEOPLE HAVE CHOSEN THOSE PROGRAMS HAS CREATED A VERY INTERESTING DYNAMIC IN OUR SCHOOL COMMUNITY. WE HAVE ENOUGH SEATS TODAY FOR EVERY KID TO BE IN A BUILDING AND NOT EVEN SIT IN A PORTABLE. WHAT THE CHALLENGE IS FOR US IS THAT THOSE SEATS ARE NOT IN THE AREAS WHERE EITHER, A, PEOPLE ARE LIVING, OR KIND OF B WHERE FOLKS ARE CHOOSING TO SEND THEIR KIDS GET THE KIND OF PROGRAMMING THAT THEY WANT. AND WE HAVE GROWTH IN NORTH CENTRAL AND SOUTH AND THAT WASN'T THE GROWTH THAT YOU HAD 20 OR 30 YEARS AGO. IN DIFFERENT AREAS OF THE CITY. IT'S TIME TO GET

UPDATED. IT'S REALLY TIME TO GET UPDATED. I NEED TO GO BACK TO MY FORMER SLIDE. SO WE STARTED THE PROCESS IN THE WINTER OF 2009, AND TECHNICALLY THE FACILITY MASTER PLANNING PROCESS KICKED OFF IN MAY OF 2010 BEFORE WE LEFT LAST SCHOOL YEAR. AND YOU CAN SEE, WHICH IS WHAT WE HAVE HERE, IS THE STATUS OF THAT PLANNING PROCESS. BUT WE ARE CURRENTLY ABOUT TO FINALIZE THROUGH THE FACILITY MASTER PLANNING TASK FORCE THEIR PROPOSAL TO THE BOARD AND THE SUPERINTENDENT. THAT WILL END ON MARCH 28th AT OUR REGULAR BOARD MEETING WHERE THE BOARD WILL ACTUALLY JUST TAKE ACTION ON ACCEPTING THAT PROPOSAL AND THEN ALLOWING THE SUPERINTENDENT WITH THE ADMINISTRATION TO TALK TO THE COMMUNITIES THAT WOULD BE AFFECTED BY SOME OF THE OPTIONS OR RECOMMENDATIONS IN THE FACILITY MASTER PLAN 10-YEAR PROPOSAL AND GIVE US AN OPPORTUNITY TO HAVE THE SUPERINTENDENT BRING BACK AN ADMINISTRATIVE RECOMMENDATION TO THE BOARD. NEXT SLIDE. THE CHALLENGES BEHIND THE DRAFT FACILITY MASTER PLAN ARE SUMMARIZED FOR YOU, BUT BASICALLY WHAT WE KNOW AND HAS MADE THIS CONVERSATION EVEN CHALLENGE TO GO HAVE IS EVEN THOUGH THEY HAVE BEEN WORKING FOR THE LAST 11 MONTHS, THEY ARE FINALIZING THIS PROCESS IS HAPPENING WHILE THE LEGISLATIVE SESSION IS GOING ON AND THE REALITY OF OUR BUDGET SITUATION HAS EMERGED FOR EVERYONE TO SEE. SO THERE'S A LOT OF CONVERSATION ABOUT THE LINKS OR TIES TO OUR BUDGET REALITY TODAY. BUT WE WILL HAVE TO ACCOMPLISH THE PRIORITIES. OUR STRATEGIC PLAN WHILE ALSO CREATING THE RIGHT INFRASTRUCTURE TO SUPPORT THE THINGS WE NEED SO KIDS CAN BE SUCCESSFUL IN A UNIVERSE OF SHRINKING DOLLARS. WE ALSO HAVE A PRETTY -- DEPENDING ON YOUR SOCIOECONOMIC STATISTIC NEWS THIS DISTRICT, HOUSING CHALLENGES. WE ABSOLUTELY HAVE A STUDENT MIGRATION SITUATION THAT IMPACTS OUR ABILITY TO PLAN FOR OUR FACILITIES. WE ALSO KNOW THAT OUR FACILITIES DON'T -- NEED TO MATCH OUR EDUCATIONAL DESIGNS, AS I'VE DESCRIBED BEFORE, TO SUPPORT THE NEEDS OF THE CHANGING COMMUNITY. I'LL GIVE YOU A EXAMPLE OF SOMETHING PEOPLE HEARD ME TALK ABOUT IN THE FALL. 20 YEARS AGO THE LANGUAGE LEARNING POPULATION IN AUSTIN INDEPENDENT SCHOOL DISTRICT IS A LOT SMALLER THAN IT IS TODAY OR WHAT IT WILL BE IN THE IMMEDIATE FUTURE. SO WE HAD TO RETHINK OUR BILINGUAL PROGRAM, AND WE'VE CREATED A WHOLE NEW MODEL FOR SERVING LANGUAGE LEARNERS. BUT IT ALSO NEEDS TO BE MATCHED TO THE CURRENT RESEARCH LIKE DUAL LANGUAGE TWO-WAY IMMERSION PROGRAMS WHICH IS A DIFFERENT DESIGN FOR SCHOOL AND YOU WANT TO THINK ABOUT HOW THAT SCHOOL IS MADE UP SO YOU CAN SUCCESSFULLY SUPPORT A DESIGN THAT MEETS A BALANCE BETWEEN ENGLISH SPEAKERS AND NONENGLISH SPEAKERS. WE ALSO HAVE BOUNDARY ADJUSTMENTS AND I DON'T HAVE TO TELL YOU ALL I GOT HERE A YEAR AND A HALF AGO, BUT YOU KNOW HOW THOSE CONVERSATIONS GO FOR THE CITY OF AUSTIN. AND BALANCING THE SHORT-TERM NEEDS LIKE THE RAPID GROWTH OF NORTH CENTRAL AND TRYING TO GET, YOU KNOW, PROPERTY TO BUILD A BUILDING WHILE THEY HAVE THE NEED TODAY AGAINST WHAT THE DEMOGRAPHIC WAVE IS GOING TO BE FOR THE FUTURE AND WHERE PEOPLE WILL BE LIVING AND WHERE YOUNG FAMILIES WILL BE AND THAT WILL HAVE THE SCHOOL AGED POPULATION TO FILL THESE BUILDINGS. NOW, THOSE ARE SOME OF THE CHALLENGES, BUT THE TASK FORCE HAS TRIED TO PULL THOSE THINGS TOGETHER AND ARE PUTTING TOGETHER AND IT SHOULD SAY DRAFT ON THIS SLIDE, BUT A FACILITY TASK FORCE DRAFT RECOMMENDATION TO THE BOARD. SO EVERYTHING THAT YOU ARE SEEING TODAY IS WHAT THEY PRESENTED THIS MONDAY WHICH MIGHT SHAPE ITSELF DIFFERENTLY SO PLEASE DON'T BELIEVE THESE ARE THE FINAL ONES. THERE ARE SOME THINGS THAT I THINK WE CAN BE PRETTY TRANSPARENT ABOUT TO TALK TO -- TO SHARE WITH PEOPLE TODAY LIKE A REDUCTION IN OUR PORTABLE USAGE WHERE WE HAVE SPACE IN OTHER BUILDINGS OR SITES THEMSELVES AND TO SHUT DOWN UPWARDS OF ABOUT \$600,000 OF SAVINGS FOR OVERUSAGE OF PORTABLES. WE KNOW WE'RE IN THE NEW CONSTRUCTION IN GROWING AREAS THAT I REFERENCED. WE WANT TO BE SURE THAT WE ADDRESS THE CAPITAL IMPROVEMENTS NEEDED IN OUR CAMPUS AND WE HAVE AN ANALYSIS OF WHERE SCHOOL BUILDINGS FALL IN CRITICAL NEED AND LESS THAN CRITICAL NEED AND WHAT IT WOULD TAKE TO GET THERE. THEY ARE MAKING

RECOMMENDATIONS ABOUT CLOSURES AND CONSOLIDATIONS. THEY HAVE LOTS OF DATA TO SUPPORT AND GIVE GOOD GUIDANCE. THE CENTRAL CITY PIECE THE CERTAINLY SOMETHING WHERE THE DATA IS STILL IN THE TASK FORCE 10-YEAR LAND THAT SUPPORTS HAVING A CONVERSATION ABOUT THOSE BUILDINGS AGAIN. THERE ARE SPECIFIC PROGRAMMATIC DESIGNS SO IF YOU DID A VOCATIONAL TECHNOLOGY SCHOOL YOU ARE GOING TO NEED CERTAIN TYPES OF INFRASTRUCTURE. IF YOU ARE DOING AN ARTS SCHOOL OR CONSERVATORY, YOU WOULD NEED A DIFFERENT DESIGN FOR A PROGRAM LIKE THAT. SO DEPENDING ON WHAT THE PROGRAM IS, WE'RE GOING TO NEED TO MAKE SOME CHANGES IN OUR FACILITIES. THERE ARE ALSO POLICY CONSIDERATIONS ON THE TABLE LIKE REDRAWING BOUNDARIES, TRANSFERS AND CHOICE AND, YOU KNOW, BRINGING EITHER POLICY OR PRACTICE TO THE TABLE FOR THE BOARD AND THE SUPERINTENDENT TO REVIEW. AND THEN FINALLY THAT EVEN IF YOU HAVE KIDS IN A BUILDING, THAT THE BUILDING NEEDS TO OPERATE EFFICIENTLY. SO WE CAN'T OVERHIRE OR OVERSTAFF, AND MORE IMPORTANTLY WHERE WE CAN DO THINGS THAT WOULD HELP PROMOTE GREEN ENERGY AND SAVINGS TO MATCH THE VISION TAKEN GOAL THAT THIS CITY HAS FOR AUSTIN INDEPENDENT SCHOOL DISTRICT WANTS TO DO ITS PART. MR. MAYOR, MEMBERS OF THE CITY COUNCIL AND CITY MANAGER, THAT CONCLUDES OUR PRESENTATION.

IF I COULD, MAYOR, JUST TO PUNCTUATE A COUPLE OF THOUGHTS, WHICH IS WE STILL HAVE A LOT OF WORK TO DO. AS INDICATED IN THE PERSONNEL ISSUES, IT'S ABOUT \$37.5 MILLION THAT WE HAVE TO GET TO. THE EXPENDITURE SHOWS 840. THAT INCLUDES THE RECAPTURE COMPONENT. IT COULD GET BETTER. WE ARE IN A LOT OF DISCUSSION WHAT THE PUBLIC ED MAKE A PRIORITY CAMPAIGN AND MAY DRIVE SOME REDUCTION IN THE REDUCTION OF PUBLIC ED. YET AT THE SAME TIME YOU ALSO HEARD BETTER ON THE TOP LINE, IT COULD GET WORSE ON THE BOTTOM LINE. WE'RE A PROPERTY WEALTHY SCHOOL DISTRICT. WE'RE PEOPLE POOR. SO WE HAVE CHALLENGES. THERE'S A TIMING ISSUE BECAUSE THE LEGISLATURE WON'T BE THROUGH UNTIL MAY AND WE'RE IN THE MIDDLE OF PLANNING FOR NOW AND WE HAVE TO LET OUR PEOPLE KNOW SOON. SO WE HAVE VERY DYNAMIC CHALLENGE AND WE'RE CONTINUING TO WORK THROUGH AND HOPE FROM THE CITY WE CAN GET YOUR PERSPECTIVE. A COUPLE OTHER THINGS IS WE'RE WORKING WITH THE LEGISLATURE TO TRY TO ADVOCATE FOR THINGS WE NEED. SOME OF WHICH IS FLEXIBILITY, TO USE THE RAINY DAY FUND, SOME OF WHICH IS TRY TO AFFECT A REDUCTION THAT IS MORE PRORATA THAT IS DISPRO FORKS NATURE TO A DISTRICT LIKE OURS BECAUSE OF PROPERTY WEALTH. A HALF DOLLARS BETWEEN WASHINGTON AND AUSTIN THAT WE'RE TRYING TO GET TO DEAL WITH. THERE'S A LOT OF VARIABLES STILL AT PLAY THAT WE'RE TRYING TO WORK WITH AT THE LEGISLATURE. THE KEY MESSAGE IS WE'RE TRYING TO GO IN A RESPECTFUL WAY, MAKE SURE WE UNDERSTAND THE BUDGET CHALLENGE IS ONE THE LEGISLATORS DIDN'T HAVE TO CREATE, THEY ARE HAVING TO DEAL WITH AND THE TONE THEY ARE TAKING WITH US THEY ARE TRYING TO SOLVE THE PROBLEMS BUT THEY ARE LIMITED BY A LACK OF REVENUE AT THE STATE LEVEL. UNLESS THAT CHANGES, THE SOLUTIONS ARE NOT EASY. WE APPRECIATE BEING HERE TODAY AND WE HOPE TO WORK WITH THE CITY ON OPPORTUNITIES TO OUTREACH. A LOT OF THINGS HAVE COME TOGETHER, THE PEOPLE ARE CONNECTING AS IF THE FACILITY STUFF WAS SOLELY CAUSED BY THE BUDGET STUFF AND IT'S NOT. THOSE WERE SORT OF SEPARATE ACTIVITIES GOING ON THAT HAVE MERGED BECAUSE OF THE HIGHLIGHT OF THE BUDGET ISSUES AND THE TIMING. BUT WE WOULD APPRECIATE THE OPPORTUNITY TO GO TO ANY GROUPS YOU THINK WOULD BE APPROPRIATE TO TRY TO EXPLAIN WHERE WE FIND OURSELVES AND LOOK FOR OPTIONS TO WORK THROUGH IT. WITH THAT WE WOULD LIKE TO TURN IT BACK TO YOU FOR ANY QUESTIONS.

Mayor Leffingwell: I FEEL LIKE I'VE BEEN STANDING UNDER A WATER FALL FOR THE PAST 30 MINUTES BUT I'M SURE THERE WON'T BE A QUIZ. I GET THE IDEA. IT'S A VERY SERIOUS SITUATION. I ALSO, YOU KNOW, IT'S NOT JUST AUSTIN INDEPENDENT SCHOOL DISTRICT THAT'S IMPACTED BY ALL THIS. IT'S SCHOOL DISTRICTS ACROSS THE STATE THAT ARE

EXPERIENCING THE SAME PROBLEM. I SAW LAST NIGHT WHERE ROUND~ROCK ISD IS FACING A POTENTIAL \$60 MILLION SHORTFALL. THEY ARE SMALLER -- I DON'T KNOW WHAT THEY ARE RELATIVE SIZE IS, THEY ARE CONSIDERABLE SMALLER.

ABOUT ABOUT HALF.

Mayor Leffingwell: SO THAT'S RIGHT IN LINE EVIDENTLY. A LOT OF UNANSWERED QUESTIONS YOU HAVE TO DEAL WITH LIKE WHAT IS THE LEGISLATURE GOING TO DO. I THINK OUR PURPOSE HERE TODAY WAS JUST TO GET THIS INFORMATION FROM YOU SO THAT WE COULD HAVE A BETTER UNDERSTANDING OF WHAT THE NUMBERS AND WHAT THE CHALLENGES REALLY ARE AND THE CHALLENGES, IN MY OPINION, ARE VERY SIGNIFICANT AND MY HEART GOES OUT TO ALL OF YOU IN TRYING TO SOLVE THESE AND I'M FULLY CONFIDENT THAT YOU'LL DO WHAT'S IN THE BEST INTERESTS WITHIN THE LIMITATIONS SET FOR YOU FOR THE CITY OF AUSTIN SCHOOL KIDS. I WOULD ALSO LIKE TO POINT OUT THAT YOU ARE NOT THE ONLY SCHOOL DISTRICT IN AUSTIN. THERE ARE ABOUT SEVEN OTHER SCHOOL DISTRICTS THAT HAVE A PIECE OF AUSTIN. SO WE HAVE TO HAVE OUR EYES AND EARS OPEN TO WHAT'S HAPPENING TO ALL THAT. THAT BEING SAID, THERE IS A RESOLUTION OFFERED FOR COUNCIL APPROVAL ON TOMORROW'S AGENDA, ITEM NUMBER 48, WHICH VERY GENERALLY ASKS THE CITY MANAGER TO BEGIN A DIALOGUE WITH YOU AND POTENTIALLY OTHERS TO IDENTIFY WAYS THAT WE MIGHT ACHIEVE OPERATIONAL EFFICIENCIES AND PARTNERSHIP, POTENTIALLY PARTNERSHIP OPPORTUNITIES WITH THE SCHOOL DISTRICT. WE ARE VERY SENSITIVE TO THIS PROBLEM BECAUSE WHAT HAPPENS TO THE CITY OF AUSTIN SCHOOL KIDS ULTIMATELY CREATES OTHER PROBLEMATIC AREAS FOR THE CITY. SO UNEDUCATED KIDS IS NOT SOMETHING YOU WANT TO HAVE A LARGE COMPONENT OF IN ANY POLITICAL JURISDICTION INCLUDING THE CITY OF AUSTIN. SO AGAIN, I WANT TO THANK YOU VERY MUCH AND JUST WE'RE OFFERING THIS RESOLUTION TO BEGIN THE DIALOGUE AND IT IS OUR HOPE THAT WE CAN ASSIST IN SOME WAY THROUGH THAT PROCESS.

THANK YOU, MAYOR.

Mayor Leffingwell: COUNCILMEMBER COLE.

Cole: I REALLY APPRECIATE YOU COMING IN AND GIVING US THIS OVERVIEW AND I REALLY THINK IT'S IMPORTANT THAT YOU UNDERSTAND HOW MUCH TIME AND ENERGY AND RESOURCES WE PUT INTO MAKING WHAT WE CALL A GREAT CITY. AND THAT SIMPLY WILL NOT OCCUR IF WE HESITATE TO GET ON THE FIELD AND SWING FOR OUR KIDS. SO THAT'S WHY YOU ARE HERE. NOW, THERE ARE LOTS OF LEGAL HURDLES IN US TRYING TO DO THAT, AND, OF COURSE, THERE ARE FINANCIAL HURDLES IN US TRYING TO DO THAT, BOTH FROM AISD'S PERSPECTIVE AND FROM THE CITY OF AUSTIN'S PERSPECTIVE. AND I FULLY SUPPORT THE RESOLUTION TOMORROW, BUT IT WAS IMPORTANT TO ME THAT YOU COME HERE TODAY SO THAT WE GIVE YOU SOME GUIDANCE IN TRYING TO, WHAT I CALL, DO SOMETHING. SO WITH THAT BEING SAID, I FIRST WANT TO FOCUS IN ON WHAT DR. CARSTARPHEN SAID, POLICY WITHIN OUR CENTRAL CITY. TELL ME WHAT YOU MEAN BY THAT.

THERE'S A -- THERE'S A HUGE, YOU KNOW, THERE'S TONS OF POLICY GUIDANCE WHICH I'M GOING TO ASK MEL, YOU MIGHT KNOW A FEW THAT YOU CAN DO OFF THE TOP OF YOUR HEAD, BUT WE HAVE POLICIES ABOUT EVERYTHING FROM THE -- YOU KNOW, OUR TRANSFERS, OUR CHOICE DESIGN. WE HAVE POLICIES ABOUT BOUNDARIES. WE HAVE POLICIES ABOUT, YOU KNOW, LIKE I SAID, SCHOOL CHOICE AND THINGS THAT ARE IN PART LEFTOVERS FROM DESEG YEARS TO NEEDED, YOU KNOW, NEEDED REQUIRED, LEGALLY REQUIRED MANDATES FROM THE STATE OR FEDERAL GOVERNMENT LIKE NO CHILD LEFT BEHIND. IF YOU HAD A FAILING SCHOOL FOR A CERTAIN NUMBER OF YEARS, WE ARE

REQUIRED BY LAW TO ALLOW, YOU KNOW, FAMILIES TO TRANSFER OUT. YOU KNOW, THERE'S -- I MEAN I COULD KIND OF LIST A BUNCH, BUT THAT'S THE AREA OF POLICY AND PRACTICE, OUR INTERPRETATION OF SOME LOCAL POLICY, OUR APPLICATION IN PRACTICE OF THOSE POLICIES ARE THINGS WE WILL NEED TO LOOK AT AND, OF COURSE, BRING FORWARD AGAINST THIS WHOLE FACILITY MASTER PLANNING PROCESS. THAT'S JUST AN EXAMPLE OF A FEW AND I'M NOT SURE IF THERE'S OTHERS MEL CAN DO OFF THE TOP OF HIS HEAD.

GREAT JOB.

Cole: LET ME MAKE SURE TO YOU AND THE CITY MANAGER WHY I ASKED THAT QUESTION. IT IS BECAUSE THE CITY HAS NUMEROUS POLICIES TRYING TO PREVENT SPRAWL. PRINCIPALLY FOR ENVIRONMENTAL REASONS. AND WE REALLY MIGHT NEED SOME OUTSIDE HELP, I'M SURE RANDI HAS A UNIVERSITY IN MIND, THAT -- AND ACTUALLY I HAVE BEEN CONTACTED BY PEOPLE THAT WANT TO HELP BECAUSE WE MIGHT BE THE FIRST ONES OUT THE BAG WITH THIS. BUT THE IDEA IS THAT IF YOU HAVE QUALITY SCHOOLS IN THE INNERCITY, THEN YOU WILL NOT HAVE THE MIGRATION OUT OF THE INNERCITY AND THAT HELPS WITH DENSITY, IT HELPS WITH ENVIRONMENTAL ISSUES AND THAT JUST AS IMPORTANT IF NOT MORE LEADING PEOPLE TO LEAVE AUSTIN OR FURTHER OUT IS A QUALITY OF THE SCHOOLS. AND SO IF WE WANT TO DO SOMETHING REALLY TANGIBLE THAT HASN'T BEEN DONE BEFORE AND THAT NEEDS TO BE, YOU KNOW, IN THE POTENTIAL TOOLBOX, WE NEED TO THINK ABOUT SUPPORTING THE CENTRAL CITY SCHOOLS AND HELP WITH QUALITY AND THAT IS CONSISTENT WITH THE POLICY THAT WE ALREADY HAVE AND IT MAY VERY WELL BE THE ELEPHANT IN THE ROOM THAT WE SIMPLY HAVE NOT DEALT WITH IN EITHER CAPACITY. SO I JUST WANT TO PUT THAT ON YOUR MIND TO LOOK AT BECAUSE IT'S MY UNDERSTANDING THAT THERE'S A NUMBER OF RESEARCH ORGANIZATIONS THAT ARE INTERESTED IN THAT, LIKE THE CENTER FOR PUBLIC POLICY AND THE [INDISCERNIBLE].

IF I COULD RESPOND TOO, A FEW YEARS AGO THE CITY SPONSORED THE FAMILIES WITH CHILDREN TASK FORCE, AT THE SAME TIME PARALLEL WE HAD A NEIGHBORHOOD IN SCHOOLS TASK FORCE THAT CAME UP WITH A NUMBER OF IDEAS. AND SOME OF WHICH WAS IN SOME PARTS OF TOWN WE JUST DON'T HAVE ENOUGH KIDS. AND THE SCHOOLS MAY BE OF HIGH QUALITY BUT THERE'S NOT ENOUGH KIDS IN THAT NEIGHBORHOOD THAT CAN ATTEND THOSE SCHOOLS. IT'S A COMBINATION OF HIGH QUALITY SCHOOLS BUT ALSO PEOPLE BEING ABLE TO AFFORD TO LIVE IN A NEIGHBORHOOD WITH CHILDREN TO BE ABLE TO POPULATE THOSE SCHOOLS. AND SOME OF THAT WE'VE BEEN ABLE TO ACCOMMODATE THROUGH TRANSFERS. WE HAVE SOME SCHOOLS THAT ARE VERY HIGH QUALITY, THEY ARE FULL, BUT MANY IN CASES IT'S BECAUSE KIDS HAVE TRANSFERRED INTO THOSE SCHOOLS. AS YOU POINT OUT, IT'S A VERY COMPLEX SET OF ISSUES TO DEAL WITH AND THE LONG-TERM VIABILITY OF THE SCHOOLS IS GOING TO BE HEAVY DRIVEN BY DO WE HAVE ENOUGH KIDS LIVING IN THE NEIGHBORHOOD, NEIGHBORHOOD SCHOOLS AT THE ELEMENTARY LEVEL. THE IDEA OF CHOICE IS A LITTLE EASIER AT SECONDARY LEVEL BECAUSE YOU CAN MOVE BIGGER KIDS ON BUSES. PEOPLE ARE NOT AS INCLINED TO WANT TO MOVE BABIES AND ELEMENTARY SCHOOL KIDS ACROSS TOWN TO GET TO A SCHOOL THAT HAS CAPACITY. SO IT'S GOING TO BE A CHALLENGING THING FOR US TO DO IN THE SHORT TERM AND LONG TERM IMPLICATION BECAUSE WE'RE DEALING WITH TO SOME DEGREE BUDGET CHALLENGES VERSUS HOW DO WE MESH THOSE TWO.

Cole: I COULDN'T AGREE WITH YOU MORE. I THINK IT'S A LONG-TERM ISSUE AND IT'S NOT SOMETHING I WAS EXPECTING YOU TO DO AND I DON'T HAVE THE EDUCATIONAL OR POLICY BACKGROUND FOR IT, BUT THERE ARE PEOPLE THAT DO. AND WE MIGHT AS WELL SEE WHAT WE CAN GIVE US FOR FREE. THAT BEING SAID, I JUST WANT YOU -- DO YOU WANT TO SAY SOMETHING?

I JUST WANT TO SAY ONE THING. I NEVER KNOW, A SHIFT IN CHANGE EVEN FOR MY BOARD MEETINGS BUT THERE IS ONE PART OF THE RESOLUTION THAT I WANTED TO BE SURE STAYED IN THE RESOLUTION AND IT IS GIVEN WHAT OUR PRESIDENT SAID THE PIECE ABOUT THE DEMOGRAPHER OR THE DEMOGRAPHIC INFORMATION TO KIND OF GET AT THE HEART OF WHAT WE JUST RAISED. IT IS SO COMPLICATED AND SO MUCH DEEPER THAN WHAT PEOPLE HAVE TALKED ABOUT AT THE TOP LEVEL OF WHAT YOU'VE HEARD ABOUT THE CENTRAL CITY SCHOOLS AND HOW THAT'S PLAYED OUT IN OTHER COMMUNITIES THAT, YOU KNOW, USE TRANSFERS AND SOME OTHER THINGS. SO SHARING THE FACTS ABOUT WHERE OUR KIDS ARE, WHERE THE SCHOOL AGE POPULATIONS ARE, WHAT'S HAPPENING IN HOUSING, IN APARTMENTS AROUND THOSE SCHOOLS, AND SITTING DOWN WITH THE CITY'S EXPERTS AND WHAT WE HAVE AND OUR FACILITY PLANNING DATA WILL BE ESSENTIAL. AND THEN I THINK PERHAPS ESPECIALLY FOR THE CITY THERE WILL BE A MUCH BETTER UNDERSTANDING OF WHY EVEN THOUGH THEY MIGHT BE AN EXEMPLARY SCHOOL, WE ARE STRUGGLING WITH ENROLLMENT NUMBERS TO EFFICIENTLY RUN A SCHOOL THAT COULD OTHERWISE BE CONSOLIDATED OR MERGED IN THE SAME NEIGHBORHOOD, BUT STILL BE AN EXEMPLARY CAMPUS. BUT IT'S HOW MUCH MONEY DO WE WANT TO SPEND AND HOW MUCH TIME DOES IT TAKE FOR THE ENROLLMENT NUMBERS TO BE WHERE THEY NEED TO BE TO BE ABLE TO AFFORD ALL THIS INFRASTRUCTURE WHEN WE'VE BEEN PULLING FROM OTHER PARTS OF THE CITY, AND YOU KNOW THE OTHER PIECE, AND PEOPLE DON'T LIKE TALKING ABOUT BOUNDARIES VERY MUCH, SO IT'S A LOT THAT GOES INTO THIS AND I JUST WANT TO HAVE CAN'T SOLVE IT TODAY, THE TIME WITH YOUR BEST PEOPLE TO HELP US SIFT THROUGH OUR DATA.

WE'LL BE LOOKING FOR VOLUNTEERS FOR THE TASK FORCE.

Cole: I BRING IT UP TOTALLY AS A LONG-TERM BLUE RIBBON OUTSIDE TASK FORCE EDUCATION, ENTITY, IT'S NOT SOMETHING I'M ANTICIPATING YOU TO WORK ON. SECOND, TELL US WHAT THE STATE IS TELLING YOU ABOUT PRE-K.

WELL, I MEAN THE FACTS ARE STILL -- ALL WE HAVE ON THE TABLE STILL RIGHT NOW IS THE HOUSE BILL AND THE SENATE BILL. AND THERE'S NO ACTION ON ANYTHING. THE STARTING POINT IS THAT THEY ARE NO LONGER FUNDING THE GRANTS FOR -- TO BE ABLE TO FILL IN THE OTHER PART OF WHAT WE HAD, WHICH IS TO HELP US PAY FOR FULL-DAY PRE-K. SO WE DON'T SEE THOSE DOLLARS YET, AND JUST TO BE CLEAR ABOUT AUSTIN, OUR GRANT WAS ALREADY CUT LAST YEAR. WE WORKED VERY HARD WITH OUR LOCAL DELEGATION TO GET US BACK ON THE GRANT LIST TO GIVE US ONE YEAR TO PLAN FOR HOW WE MIGHT BE ABLE TO BACKFILL IT, BUT THE MESSAGE IS CLEAR, EVEN IF THEY WERE TO GO BACK AND PUT THE GRANTS BACK IN AND FULLY FUND THE PRE-K PIECE, WHAT WE'RE SEEING FOR AUSTIN, THEY ARE TIERED, THE ONES WHO HAVE THE HIGHEST NEEDS, WE'RE DOWN TOWARDS THE BOTTOM. AND AS A RESULT, WE KNOW THAT EVEN IF THEY WERE TO BRING BACK SOME OF THE MONEY, ENOUGH TO COVER SOME OF THE NEED, WE ARE NOT ON THE SHORT LIST. SO THE MESSAGE IS WE'RE NOT -- WE WON'T BE ABLE TO LOOK TO THE STATE PROBABLY TO HELP US FUND FULL-DAY PRE-K.

Cole: AND YOU WON'T BE ABLE TO FUND IT YOURSELF.

WE ARE MAKING VERY TOUGH CHOICES, AND IN OUR BUDGET SOLUTION FOR THE \$94.4 MILLION, WE ARE SAYING WE ARE OFFERING FULL-DAY PRE-K IN AUSTIN FOR THE NEXT SCHOOL YEAR. WE'RE GOING TO WAIT AND SEE HOW THAT BUDGET TURNS OUT, BUT WE MAY NOT BE ABLE TO DO IT. I DON'T KNOW WHAT WE'LL DO IN FISCAL YEAR 13 IF IT'S WORSE THAN WE THOUGHT. RIGHT NOW WE ARE FUNDING IT. WE PRESENTED THE PRELIMINARY BUDGET ON MONDAY AND ANTICIPATE THAT TO BE PART OF WHAT WE'RE LOOKING TO SOLVE IN OUR BUDGET. SO YES, WE KEPT FULL-DAY PRE-K AND WE'VE KEPT OTHER THINGS, BUT I WANT TO BE CLEAR AUSTIN HITS THE WALL, OUR SCHOOL DISTRICT HITS THE

WALL AT ABOUT 75 TO \$78 MILLION. WHAT NICOLE TALKED ABOUT ON THE TWO-YEAR REDUCTION PLAN REQUIRES THAT WE FIGURE OUT A WAY TO ABSORB THE DIFFERENCE BETWEEN THAT 75, \$78 MILLION AND WHAT THE REST OF THE TARGET IS. SO WE ARE STILL STICKING WITH THE \$94 MILLION TARGET. WE HAVE A RISK GAP OF ABOUT, YOU KNOW, 30ISH MILLION DOLLARS. WE'RE WILLING TO SPEND DOWN OUR FUND BALANCE, WE'RE WILLING TO, YOU KNOW, MAKE SOME OTHER TOUGH CHOICES TO BE ABLE TO FUND TWO KEY THINGS, FULL-DAY PRE-K AND WHAT WE CALL THE SECOND PLANNING PERIOD FOR SECONDARY TEACHERS TO ENSURE THAT OUR KIDS CAN FINISH THEIR GRADUATION PLAN AND HAVE THE SCHEDULES AND THE COURSE OFFERING THEY NEED. AND WE'RE CUTTING OTHER THINGS TO MAKE THAT HAPPEN.

THE MAYOR'S POINT ABOUT THIS BEING A STATEWIDE ISSUE, DIFFERENT DISTRICTS ARE DOING DIFFERENT THINGS. DALLAS IS GOING A DIFFERENT DIRECTION. THEY ARE ABOUT TWICE OUR SIZE, SAME REVENUE, TWICE OUR SIZE. THEY'VE ANNOUNCED ELIMINATION OF ALMOST 4,000 JOBS. THEY'VE ELIMINATED FULL-DAY PRE-K. INCREASING CLASS SIZES BUT THEY ARE TRYING TO GET TO A MUCH LARGER TARGET BECAUSE THOSE WORST CASE SCENARIO, THEY ARE GOING TO A WORST CASE SCENARIO. IF IT GETS WORSE, WE CAN ONLY AFFECT SO MUCH IN ONE YEAR AND WE MIGHT BE BACK AT THIS NEXT YEAR TO TRY TO GET THE NUMBERS THAT ARE ULTIMATELY ALLOCATED BY THE STATE.

Cole: WELL, IS PRE-K A GRADE BY LAW? DO YOU KNOW THAT?

IT'S NOT -- WELL, IT'S NOT A GRADE BY LAW, COUNCILMEMBER, BUT IT'S IDENTIFIED SPECIFICALLY IN THE LAW AS -- PREDOMINANTLY SOCIOECONOMIC IN NATURE. AT THAT AGE, WHICH IS BELOW THE KINDERGARTEN AGE AT FOUR AND FIVE YEARS OF AGE, THERE'S BEEN SOME CONVERSATION ABOUT THREE. AND INDEED, INDEED OFFERED BUT NOT MANDATORY THAT THEY ATTEND. IT'S NOT PART OF THE COMPULSORY ATTENDANCE LAWS OF THE STATE OF TEXAS.

Cole: AND THE REASON I WANT TO ENCOURAGE PURSUANT TO THE RESOLUTION SOME DEEP ANALYSIS INTO THAT IN COLLABORATION IS BECAUSE IF IT'S NOT A GRADE BY LAW, THAT LEAVES MORE FLEXIBILITY FOR OTHER ENTITIES WHETHER YOU ARE TALKING ABOUT CHURCH, NONPROFITS OR EVEN US AS A CITY THAT WE ALREADY FUND, SAY SUCCESS BY SIX OR LOTS OF OTHER NONPROFITS THAT ALREADY EXIST. THAT WE WORK WITH ANYWAY. AND WE HAVE SOME POTENTIAL FACILITIES FOR THAT. AND SO I SEE THAT AS A POTENTIAL AREA TO BE EXPLORED WHERE THE CITY COULD REALLY LEAN ON SIGNIFICANT PARTNERING ASSUMING YOU CAN GET PAST THE LEGAL HURDLES AND I DON'T THINK THEY REALLY ARE THERE AND WE HAVE THAT COMMITMENT FOR MANY OUR RECREATIONAL CITIES ESPECIALLY IN SOCIOECONOMICALLY CHALLENGED AREAS.

INDEED.

Cole: THIS IS MY LAST QUESTION. CAN YOU EXPLAIN WHAT A PARENT SUPPORT SPECIALIST IS BECAUSE I'M HEARING A LOT ABOUT THAT AT CHURCH.

THEY ARE GREAT. I MEAN JUST THE IDEA THAT THERE MIGHT NOT BE ENOUGH OF THEM AND I'M NOT HEARING ABOUT IT ON THE NEWS, I'M HEARING ABOUT IT OTHER PLACES.

THAT IS ONE OF -- THAT'S ONE CATEGORY WITHIN THOSE THOUSANDS THAT -- OVER A THOUSAND POSITIONS, THERE ARE DIFFERENT CATEGORIES. THIS IS ONE. WHERE IT IS -- IT IS TRUE WE ARE MAKING A REDUCTION PARENT SUPPORT SPECIALISTS. I'M NOT GOING TO DO THEM JUSTICE, THEY ARE GREAT, BUT THE BOARD DID DECIDE IT'S NOT -- IT'S CERTAINLY NOT ONE OF THE POSITIONS, AT LEAST IN MY EXPERIENCE, IS COMMON. WE ACTUALLY HIRED PARENTS TO WORK IN OUR SCHOOLS TO BASICALLY WORK WITH OTHER

PARENTS TO SUPPORT THE SCHOOL. IT'S AS BASIC AS THAT. SO ALL THE OUTREACH THAT NEEDS TO BE DONE TO, YOU KNOW, HAVE THEM PARTICIPATE MORE FULLY IN THEIR KIDS' EDUCATION. SO HELP WITH EVERYTHING FROM DISCIPLINE TO HOMEWORK. SOMETIMES, WHICH IS WHAT WE'VE SEEN, THIS IS OUTSIDE OUR DAY TO DAY SCOPE OF WORK, BUT YOU SEE EDUCATION ALL THE TIME TAKING ON MORE RESPONSIBILITIES LIKE HELPING PEOPLE FIND HOUSING, CLOTHING, FOOD. SOME OF OUR SCHOOLS ARE VERY -- AND PARENT SUPPORT SPECIALISTS BY AND LARGE TAKE ON A LOT OF THOSE THINGS AND WORKING CLOSELY WITH THE FAMILY TO GET THOSE NEEDS, GET THESE NEEDS DONE. SO THERE'S A BASIC JOB DESCRIPTION, DEPENDING WHAT'S HAPPENING IN THAT SCHOOL, IT CAN BE A MUCH BIGGER, COMPREHENSIVE JOB. OTHERS USE PARENT SUPPORT SPECIALISTS DIFFERENTLY. AND WE DON'T MANDATE THAT. WE DON'T SAY WE HAVE TO DO THESE THINGS. WE WANT THE PRINCIPAL AND THE SCHOOL COMMUNITY TO DETERMINE WHAT'S THE BEST USE OF THAT POSITION. NOW, IT IS TRUE, WE TALKED ABOUT THIS AT OUR OWN BOARD MEETINGS, YOU CAN'T BE IN A DEFICIT LIKE THIS AND EXPECT SERVICES TO BE EXACTLY THE SAME. WHERE WE WERE TRYING TO KEEP THE STRONGEST PART OF OUR SERVICES, OUR DIRECT INSTRUCTIONAL SERVICES TO KIDS AT A HIGH QUALITY LEVEL, AND THEN THAT'S WHERE, YOU KNOW, THEN EVERYTHING ELSE OUTSIDE OF THAT, THE SUPPORT PIECES TO IT, YOU ARE GOING TO FILL SOME OF THE BURN IN THE DIRECTION THERE. DIRECT SERVICES, A TEACHER TO A KID, HE HAD TO START KIND OF PRIORITIZING BASED ON THE GOALS AND MEASURABLE OUTCOMES SET BY THE BOARD ON WHAT WE COULD AND COULDN'T DO. THEY HAVE BEEN REDUCED AND WHAT WE HAVE DONE IS WE'VE ASSIGNED A SMALLER GROUP OF PARENT SUPPORT SPECIALISTS TO AN ENTIRE VERTICAL TEAM.

Cole: AND DO YOU TRAIN THEM?

YES, WE DO. NO, WE TRAIN -- WE TRAIN, AND I HAVE TO -- THEY ARE THE MOST PARTICIPATORY GROUP OF EMPLOYEES YOU COULD EVER ASK FOR. THEY DO TONS OF TRAINING. THEY ARE OFTEN BILINGUAL. THEY HAVE, YOU KNOW, LOTS OF OTHER SKILLS THAT ARE APPROPRIATE FOR THEIR SCHOOL CONTEXT AND CLIMATE. SO WE'VE SEEN THIS EVEN DO -- ESPECIALLY THE SECONDARY LEVEL LIKE DROPOUT PREVENTION WORK. THEY GO DOOR TO DOOR. I MEAN IT'S -- IT'S A VERY VALUABLE JOB, VERY HANDS ON WITH THE SCHOOL COMMUNITY AND THE PARENTS, AND, YOU KNOW, AND IT WAS -- THAT'S WHY WE DIDN'T ELIMINATE IT, BUT WE DID REDUCE IT AND WE TRIED TO BE STRATEGIC ABOUT THE APPROACH TO THE REDUCTION WHERE WE HAD -- WE WON'T BE ABLE TO HAVE ONE AT EVERY SCHOOL, BUT WE WERE TRYING TO CLUSTER SCHOOLS IN THE SAME VERTICAL TEAMS OR PERHAPS FAMILIES THAT CHOOSE THE SAME PATH SO YOU COULD FOLLOW FAMILIES AND SEE KIDS IN THE ELEMENTARY AND SEE THEM, YOU KNOW, WITH THEIR NEIGHBORS. BUT IT'S NOT IDEAL. IT'S NOT WHERE WE WANTED TO BE, BUT -- BUT IT IS FAIR TO SAY WE CAN'T AFFORD TO KEEP EVERYONE. [ONE MOMENT, PLEASE, FOR CHANGE IN CAPTIONERS]

MAYOR LEFFINGWELL: LET ME JUST SAY THAT I REALLY THINK WE NEED TO GO THROUGH THIS PROCESS OF IDENTIFYING OPPORTUNITIES AS I DISCUSSED BEFORE, OPPORTUNITIES FOR EFFICIENCY AND PARTNERSHIP OPPORTUNITIES AS WELL. I DON'T WANT TO GET INTO THE BUSINESS MYSELF OF TRYING TO IDENTIFY PARTICULAR STRATEGIC GIST TODAY. I THINK THE TIME FOR THAT WILL COME SOON ENOUGH. I JUST WANT TO SAY ONE QUICK THING, AND WE'VE SPENT ALMOST A HOUR OR SO OF YOUR TIME AND WE WANT TO BE RESPECTFUL OF THAT, BUT WITH REGARD TO LAND USE POLICIES THAT THE CITY OF AUSTIN MAY HAVE AND TRYING TO PROVIDE ASSISTANCE TO DIRECT THOSE LAND USE POLICIES, I THINK THAT ANYTHING WE HAVE TO DO HAS TO RESPECT OUR DUTY FOR EQUITY ACROSS THE CITY. IN FACT, THAT'S WHAT THE RESOLUTION SAYS, TO EXPLORE THESE OPPORTUNITIES CITYWIDE. I THINK IT WOULD BE TOTALLY INAPPROPRIATE FOR US TO DIRECTLY INTERVENE IN CERTAIN PARTICULAR SCHOOLS AND I GUESS THE BEST THAT'S ALL THAT NEEDS TO BE SAID ABOUT THAT, BUT IT IS A CITYWIDE EFFORT. SOME OF THAT

MAY TRICKLE DOWN IN SPECIFIC AREAS, AND THAT WOULD BE OUR THAT WOULD BE OUR GOAL.

COLE: MAYOR, I DIDN'T MEAN TO PUT ANY OF THE DIRECTION THAT I GAVE TO GO CONTRARY TO THE RESOLUTION [INAUDIBLE] AND FORGET THE REST OF THE CITY.

MAYOR LEFFINGWELL: I UNDERSTAND. I JUST WANTED CLARIFY THAT ANYONE ELSE WHO MIGHT BE LISTENING. COUNCIL MEMBER SHADE?

SHADE: I WAS GOING TO ASK A COUPLE QUESTIONS, ACTUALLY. ONE, I WANT TO START OUT BY SAYING THANK YOU. MARK, YOU MADE A JOKE ABOUT US BEING ON THE COMMITTEE, AND I THINK EVERY ONE OF US WHO'S ELECTED TO ANY OF THESE JOBS, BE IT ON THE SCHOOL BOARD OR BE IT ON THE CITY COUNCIL, IT REALLY YOU KNOW, IT'S A REALLY HARD JOB, AND THEY DON'T AND I JUST WANT TO SAY THANK YOU FOR THE SERVICE THAT YOU PROVIDE. IT'S REALLY HARD. OF COURSE, IF YOU'RE ON THE STAFF SIDE IT'S ALSO VERY HARD AND ESPECIALLY IF YOU'RE IN LEADERSHIP ROLES. I KNOW THAT OUR CITY MANAGER WITH HIS STAFF HAS HAD TO MAKE VERY TOUGH BUDGET DECISIONS IN RECENT YEARS AND HAS BEEN AN EFFECTIVE LEADER FOR US ON THAT, AND I RECOGNIZE THAT THE TWO OF YOU AS A TEAM, ALONG WITH THE REST OF YOUR MANAGEMENT TEAM, ARE MAKING HARD DECISIONS, SO I RECOGNIZE HOW DIFFICULT THIS IS. I DO HAVE A COUPLE QUESTIONS BUT I DID WANT TO SAY A FEW THINGS RELATED TO THIS RESOLUTION FIRST AND FOREMOST. ONE IS THAT I WENT BACK AND I LOOKED UP THE WORK THAT WE DO AT THE CITY WITH IMAGINE AUSTIN AND OUR MOST RECENT CITIZENS SATISFACTION SURVEY, AND IN EVERYPLACE THAT WE AS A CITY HAVE SOUGHT PUBLIC OPINION, OUTSTANDING OR GOOD PUBLIC SCHOOLS RANKS HIGHEST, REGARDLESS OF WHAT PART OF TOWN WE'RE TALKING TO PEOPLE IN, AND EVEN THOUGH THE CITY ITSELF IS NOT DIRECTLY RUNNING THESE SCHOOLS, OUR LAND USE DECISIONS DO DEFINITELY IMPACT AFFORDABILITY, THEY DO IMPACT WHAT HAPPENS TO NEIGHBORHOODS, AND THEY DO IMPACT WHAT'S HAPPENING IN THE SCHOOLS. SO I THINK THAT DR. CARSTARPHEN HAS ASKED FOR US TO CONNECT OUR PLANNING EFFORTS BETTER, IS TERRIFIC, AND IF THAT'S THE THAT WOULD BE A TERRIFIC OUTCOME FROM THIS VERY DIFFICULT SITUATION. THIS WILL BE THE MAKING OF THE LEMONADE, AS THEY SAY, IF WE CAN ACTUALLY BETTER ALIGN OUR CITY PLANNING EFFORTS WITH SCHOOLS. IN FACT, I WENT BACK AND LOOKED, IT WAS GOOD PUBLIC SCHOOLS WAS 42% OF THE PEOPLE'S FIRST, SECOND OR THIRD CHOICE OF MOST IMPORTANT THING, EVEN THOUGH THE CITY IS NOT DIRECTLY RELATED TO YOU KNOW, TO RUNNING THESE SCHOOLS. SECONDLY, THE NUMBER ONE ASKED FROM THE PUBLIC IN THESE SURVEYS WAS ALSO THAT THE CITY'S PLANNING EFFORTS BE DIRECTED TO SUPPORT OUTSTANDING SCHOOLS. SO AGAIN, YOU KNOW, PEOPLE DON'T KNOW ESPECIALLY IN LOCAL ELECTIONS AVERAGE CITIZENS AREN'T NECESSARILY AWARE WHO'S ON THE SCHOOL BOARD AND WHO'S ON THE CITY COUNCIL. I RECOGNIZE THAT, BUT OUR DESTINIES ARE TIED TOGETHER AND WE OUGHT TO BE DOING A LOT MORE TO MAKE SURE THAT WE'RE SUPPORTING EACH OTHER'S EFFORTS, AND I AGAIN AM REALLY HOPEFUL THAT IT WILL BE THE LEMONADE THAT COMES OUT OF IT. AS DR. CARSTARPHEN SAID, THIS ISN'T SOMETHING WE'LL FIGURE OUT INSTANTLY BUT AS I'VE BEEN TALKING TO SOME OF THE PARENTS WHOSE NEIGHBORHOODS ARE AFFECTED BY THE FACILITIES COMMITTEE, CLEARLY THEY'RE SEEING HOW THESE DOTS ARE CONNECTED. SO IF IT BECOMES MORE EXPENSIVE IN AN NEIGHBORHOOD TO HAVE A FAMILY LIVE THERE, THAT'S WHAT'S AFFECTING THE POPULATIONS. THE QUESTION I HAD WAS ABOUT TRANSFER POLICIES AND ABOUT HOW WE'RE HOW WE DIFFER FROM OTHER CITIES STAYED WIDE. AND I DON'T HAVE ANY DATA ON IT BUT IT'S SOMETHING I'M REALLY INTERESTED IN. SO HOW DO WE COMPARE OUR TRANSFER POLICY TO OTHER DISTRICTS IN THE STATE.

I'D HAVE TO LOOK AT THAT AND GET BACK TO YOU. WE HAVEN'T DONE AN ANALYSIS OF OUR DISTRICT COMPARED TO OTHERS, BUT THERE'S SOME BASIC THINGS THAT WE HAVE

TO DO AROUND TRANSFERS.

THAT ARE STATE MANDATED?

ESPECIALLY THE FEDERAL PIECE, BASED ON ACCOUNTABILITY, BASED ON PERFORMANCE. SO EXAMPLE I TALKED ABOUT NO CHILD LEFT BEHIND. WE'RE REQUIRED BY LAW WHEN SCHOOLS DON'T MEET THE STANDARDS FOR ADEQUATE YEARLY PROGRESS, WE'RE REQUIRED TO NOTIFY THE FAMILIES BY LETTER. WE TELL THEM THAT THEY DIDN'T MAKE IT AND IF THEY CHOOSE TO LEAVE THAT SCHOOL AND ATTEND ANOTHER SCHOOL, WE HAVE TO ALLOW THAT WE HAVE TO ALLOW THAT TO HAPPEN. YOUR OWN STATE ACCOUNTABILITY STATUTES FROM THE TEXAS EDUCATION AGENCY, SO AND AUSTIN HAS EXPERIENCED THIS. MULTI YEAR ACADEMICALLY UNACCEPTABLE SCHOOLS HAVE MANY, MANY SANCTIONS ASSOCIATED WITH THEM, EVEN BEFORE THEY GET TO THE POINT, WHICH WE'VE EXPERIENCED, YOU KNOW, TO THE POINT OF CLOSURE. SO EVEN BEFORE YOU'RE THERE, THERE ARE MANDATES THAT YOU HAVE TO, YOU KNOW THAT YOU HAVE TO ACKNOWLEDGE AND ALLOW FOR, BUT ONCE I MEAN, ESPECIALLY, PEARCE IS A PERFECT EXAMPLE. TO GET YOUR REPURPOSING OR RECONSTITUTIONAL THINGS APPROVED, THERE ARE THINGS YOU HAVE TO NEGOTIATE IN THE STATE STATUTES. IN THE CASE OF PEARCE, FOR EXAMPLE, NOT ONLY DID WE HAVE TO ALLOW EVERYBODY TO LEAVE IF THEY WANTED TO, WE HAD TO GET A SPECIFIC, LIKE, SIGNED COMMITMENT THAT THEY WANTED TO COME BACK. SO DEPENDING ON THE ACCOUNTABILITY PRESSURE THAT A SCHOOL IS UNDER, THERE'S JUST A LOT OF STUFF IN BETWEEN THAT YOU HAVE TO ALLOW PARENTS TO BE ABLE TO DO WITH THEIR CHILDREN, AND TEXAS, OF ALL THE STATES I'VE WORKED IN, IN MOST AGGRESSIVE ABOUT THAT. AND SO THOSE ARE JUST TWO, TO GIVE YOU AN EXAMPLE, AND THEN, OF COURSE WHICH I'M SURE MAYBE MARK OR MEL COULD TALK MORE ABOUT, IN THE DESEG WORK OF THIS DISTRICT, YOU KNOW, WE ALLOWED CHOICE NOT CHOICE I'LL SAY, LIKE MAJORITY/MINORITY TRANSFERS. SO BASED ON THE RACIAL DEMOGRAPHICS OF A SCHOOL YOU COULD, YOU KNOW, MOVE, TRANSFER TO ANOTHER SCHOOL TO HELP BRING RACIAL BALANCE, IS THAT A FAIR WAY TO SAY IT, IN THE SCHOOL POPULATION. AND ALTHOUGH IT'S NO LONGER REQUIRED, WE WE STILL HONOR IT TO PROBABLY, YOU KNOW, RESPECT THE SPIRIT WITH WHICH THE ORIGINAL MAJORITY/MINORITY DESIGN WAS INTENDED.

I THINK THERE'S SORT OF THREE COMPONENTS TO OUR TRANSFER POLICY, ONE OF WHICH IS THE ACADEMIC ONE. WE HAVE SCHOOLS THAT ARE CHALLENGED, THERE ARE TRANSFER REQUIREMENTS ASSOCIATED WITH THAT. SECOND IS THE ISSUE OF DIVERSITY, TRYING TO ADVOCATE AND PROMOTE DIVERSITY, TO INCREASE THE DIVERSITY. THE THIRD IS THERE'S AN ELEMENT OF CHOICE IN OUR DISTRICT. CHOICE IS USUALLY CAPPED, THOUGH. WE DON'T ALLOW CHOICE, AND WE ALLOW PEOPLE TO MOVE AROUND SO THAT THEY'RE, QUOTE, EITHER NOT TRAPPED IN THE SAME SCHOOL, THEY NEED TO MOVE TO A SCHOOL CLOSER TO WHERE THEIR PARENTS WORK, THEY CAN PROVIDE PEOPLE TO PROVIDE AFTER SCHOOL CARE. LOTS OF REASONS. BUT THAT'S GENERALLY LIMITED TO CAPACITY OF SCHOOLS. THE FIRST TWO THAT DR. CARSTARPHEN REFERRED TO, THE ACADEMIC ISSUES AND THE ISSUES OF DIVERSITY, REALLY, IF YOU FILE A REQUEST TO TRANSFER WITHIN THAT'S WHERE WE'VE CREATED SOME CAPACITY ISSUES, BECAUSE WE ALLOW THOSE TRANSFERS TO OCCUR REALLY EVEN ABOVE THE CAPACITY OF SCHOOLS, BECAUSE WE WANT TO ACCOMMODATE THOSE VALUES THEY HAVE. AND SO I WOULD SAY THE VALUES OF DIVERSITY AND CHOICE HAVE BEEN PRESENT. I THINK NOT ALL COMMUNITIES HAVE AS EXTENSIVE A TRANSFER POLICY AS WE HAVE BECAUSE WE REALLY HAVE HAD THE OPPORTUNITY FOR STUDENTS NOT TO BE TRAPPED IN A, QUOTE, FAILING SCHOOL. THERE ARE LOTS OF WAYS FOR STUDENTS TO MOVE, WHICH MADE IT TOUGH A FEW YEARS AGO WHEN STATE CHOOSES TO CLOSE A SCHOOL, BECAUSE THERE ARE WHEN EVERY CHILD WHO IS THERE COULD CHOOSE TO LEAVE OR HAS CHOSEN TO STAY.

WHAT'S THE PERCENT YOU MAY NOT BE ABLE TO ANSWER, BUT THE PERCENTAGE OF THE TRANSFERS THAT ARE BECAUSE SOMEONE IS TRAPPED IN A FAILING SCHOOL VERSUS

THEY'RE IN A THEY ARE CHASING TO GO TO A SCHOOL THAT THEY MIGHT LIKE BETTER THAN ONE THAT'S NEARBY. CAN YOU I MEAN, NOT ALL THE TRANSFERS I MEAN, THE CAPACITY ISSUES THAT WE'RE HEARING ABOUT, ESPECIALLY WITH SOME OF THE SCHOOLS THAT ARE ON THE YOU KNOW, ON THE RECOMMENDED POTENTIAL CLOSURE LIST, I MEAN, THEY HAVE HIGH TRANSFERS. THAT WASN'T CONSIDERED BY THE I UNDERSTAND THE FRAMEWORK THAT THE CONSULTANT USED DIDN'T INCLUDE THAT. BUT I JUST AM CURIOUS ABOUT IT.

I DON'T KNOW THAT WE

THEY AREN'T JUST NECESSARILY LEAVING A FAILING SCHOOL, THEY JUST REFER

WE CAN GIVE YOU A NUMBER. PEOPLE AREN'T NECESSARILY TRAPPED IN A FAILING SCHOOLS, THERE ARE TRANSFERS. BUT THE WAY TRANSFER WORKS IS THREE GROUPS. THERE'S THE PEOPLE THAT TRANSFER, HOW THEY BENEFIT, THE PEOPLE THAT RECEIVE THE TRANSFERS AT THE SCHOOLS AND THE SCHOOLS FROM WHICH THEY'VE LEFT. WE HAVE SOME SCHOOLS THAT BENEFIT FROM TRANSFERS. THEY POPULATE THEMSELVES TO CAPACITY AND HAVE A MUCH MORE ECONOMICALLY VIABLE SCHOOL. THERE ARE SOME SCHOOLS PROBABLY SMALLER AND MORE UNDERUTILIZED BECAUSE PEOPLE TRANSFERRED OUT OF IT. IT'S SORT OF A MIX AND DEPENDS WHERE YOU ARE AND WHAT THE SCHOOLS ARE. I WOULD SAY THAT WE HAVE PROBABLY THE PERCENTAGE MAYBE 8 OR 11,000 OF OUR

IT'S 11%

I WAS GOING TO SAY 9,000. ABOUT 9,000 OF OUR 86,000 KIDS ARE ON SOME TRANSFER SOMEPLACE ELSE. ONLY A SMALL PERCENTAGE OF THOSE ARE ACTUALLY DRIVEN BY ACADEMIC, FEDERAL, NO CHILD LEFT BEHIND REQUIRED TRANSFER. MOST OF THEM ARE CHOICE OR DIVERSITY TRANSFERRED.

AND YOU KNOW, AND I WOULD JUST SAY, AGAIN, THERE HAVE BEEN HUGE DEMOGRAPHIC SHIFTS IN AUSTIN, AND, YOU KNOW, HOUSING HAS BEEN A CHALLENGE. IT'S CONSTANTLY CITED BY OUR FAMILIES AS ONE OF THE REASONS. I MEAN, I WOULD LIKE TO BELIEVE THAT AND I THINK PEOPLE UNDERSTAND THIS, YOU KNOW, YOU'VE SEEN OVER AND OVER AGAIN, YOU'LL EVEN HAVE A FAILING SCHOOL YOU KNOW, A FAILING SCHOOL FOR AND BELIEVE ME, THE COMMISSIONER LOVES TO SHOW ME THAT DATA ABOUT AUSTIN, SCHOOLS THAT HAVE BEEN FAILING FOR MULTIPLE YEARS AND HAVE HAD HIGH UPS AND DOWNS ALL THROUGHOUT THEIR, YOU KNOW, ACADEMIC CAREERS OR, YOU KNOW, BUILDING'S CAREERS. AND FAMILIES STILL CHOOSE THOSE SCHOOLS. AND SO ONE WOULD LIKE TO THINK THAT THE NUMBER ONE CRITERIA FOR EVERYONE IS ABOUT ACADEMICS, BUT SOMETIMES IT'S NOT. I MEAN, AND FAMILIES HAVE VERY COMPLICATED CIRCUMSTANCES FOR WHY THEY CHOOSE SOME THINGS OVER ANOTHER, AND WHEN MR. WILLIAMS SAID, YOU KNOW, CHILD CARE AND THOSE SORTS OF THINGS, FOR SOME OF OUR FAMILIES, THE MAJORITY OF OUR FAMILIES, BECAUSE WE ARE A MAJORITY POVERTY DISTRICT, LIKE 63% OF OUR KIDS LIVE IN POVERTY, THAT IS A REAL ISSUE. SO IT'S YOU HAVE TO KIND OF GO TO SCHOOLS CASE BY CASE, BUT THE OTHER THING IS WHICH IS WHERE I STARTED, WHERE WE HAVE SEATS AVAILABLE AND WHAT'S KIND OF HAPPENED WHERE THE SPACE IS AND IS NOT, SOME OF THE TRANSFER ISSUES AND WE WON'T BE ABLE TO GET INTO THE DETAILS I THINK YOU WOULD NEED TO HAVE TO BE ABLE TO GO BACK AND TALK TO YOUR COMMUNITIES, BUT A LOT OF IT OR SOME OF IT HAS TO DO WITH A COMMUNITY SOMEONE'S CHOICE AROUND BEING ABLE TO ATTEND A SCHOOL THAT HAS A PROGRAM THAT THEY'RE INTERESTED IN. IT COULD BE OTHER THINGS THAT THEY'VE CITED ARE THINGS LIKE I KNOW SPECIAL EDUCATION, THE WAY WE STRUCTURE IT. WE USED TO HAVE A PROGRAM AT EVERY SCHOOL. IT'S COST PROHIBITIVE, SO SOMETIMES WE CLUSTER BEING ABLE TO

SERVE FAMILIES IN PARTICULAR PROGRAMS AT A SITE. AND SO IF YOU WANT THAT YOU KIND OF NEED TO SEND YOUR KID THERE. WE DID THAT DELIBERATELY AS AN EFFICIENCY MEASURE. I'VE EVEN SEEN WHERE THERE WAS ANOTHER ONE IN MY MIND. BUT WE'LL HAVE SPACE IN SOME SCHOOLS, AND THE OTHER PIECE ABOUT AUSTIN, I MEAN, LET'S BE HONEST, THE TRAFFIC IS BRUTAL, AND IF YOUR KEY THOROUGHFARE HAS TO TAKE YOU IF YOU WERE TO TAKE FAMILIES AWAY FROM AN OVER ENROLLED SCHOOL AND PUT THEM IN AN UNDER ENROLLED SCHOOL, THERE ARE KIDS THAT WOULD BE ON A BUS FOR LIKE TWO HOURS TRYING TO GET FROM WHERE THE OVER ENROLLED POPULATION IS TO A SCHOOL THAT HAS AVAILABLE SPACE. SO WHEN MR. WILLIAMS TALKED ABOUT, YOU KNOW, PUTTING BABIES ON BUSES AND PRE K'ERS AND K'ERS, THAT DOESN'T INSPIRE FAMILIES MUCH AT ALL. BUT I HAVE SEEN I JUST CAME FROM A DISTRICT WHERE WE HAD DISTRICT WIDE CHOICE, EVERY SCHOOL, FROM PRE K TO 12TH GRADE. YOU COULD PICK WHERE YOU WANT TO GO, AND THE CHOICE OF THE COMMUNITY WAS THAT THEY WOULD PUT THE MONEY INTO TRANSPORTATION. SO IF YOU COULD NOT TRANSPORT YOUR KID, YOU WOULD GET ON A SCHOOL BUS AND GO. AND RIGHT NOW THAT SAME DISTRICT IS CHANGING THAT MODEL AFTER DESEG BECAUSE YOU CAN'T AFFORD IT IN THESE ECONOMIC CONDITIONS. SO THE CONCEPT OF NEIGHBORHOOD SCHOOLS, ESPECIALLY TODAY, IS A VALUABLE PROPOSITION. NOW, GETTING IT TO WORK RIGHT AND MAKING SURE THAT WE'RE USING ALL THE SPACE WE HAVE IN SMART WAYS AND ALSO TRYING TO SERVE OUR FAMILIES WELL IS WHERE YOU KNOW, WHERE THE MEAT OF THE WORK IS GOING TO BE. WE WANT TO BE SUCCESSFUL. WE REALLY NEED TO TALK ABOUT HOW TO GET TO SOLUTIONS LIKE THAT.

SHADE: AND AGAIN, I REALIZE THAT THIS IS PROBABLY GETTING MORE INTO THE ISSUE, BUT I KNOW THAT TOMORROW WE'LL BE TALKING ABOUT THE RESOLUTION ITSELF AND ALL THE WAYS TO LOOK YOU KNOW, THE STRONG CALL FOR EFFICIENCY, BUT I THINK THIS YOU KNOW, THIS IDEA REALLY UNDERSCORES, YOU KNOW, EVEN HOW WE DEFINE NEIGHBORHOODS AND PLANNING AREAS. I WAS REALLY STRUCK WHEN I SAW SOME OF THE FAMILIES FROM THE BARTON HILLS NEIGHBORHOOD SHOW ME WHERE THEIR TRANSFERS ARE COMING FROM, AND THEY'RE NOT EAST WEST. I MEAN, IT WAS INTERESTING. THEY WERE COMING FROM FAIRLY NEARBY, JUST WHICH, YOU KNOW TO ME THAT WAS PRETTY COMPELLING, AND DEFINITELY MADE ME THINK ABOUT HOW THE CITY MAKES ITS DECISIONS ABOUT ABOUT PLANNING AND HOW WE CAN HOW WE CAN WORK BETTER TOGETHER. THE OTHER THING THAT JUST STRUCK ME, AND I KNOW THAT THERE'S NOT ENOUGH TIME IN THE DAY FOR THIS DISCUSSION, BUT I AM CURIOUS ABOUT YOU KNOW, WHAT PERCENTAGE OF CITY RESIDENTS OF YOU USED DALLAS AS AN EXAMPLE, BUT OF DISD, ATTEND THE DISD SCHOOLS. YOU KNOW, DO WE HAVE A GUESS?

OUR SCHOOL OUR FAMILY

OURS IS HIGH.

WE ARE THE NUMBER ONE CHOICE FOR AUSTIN, AND WE'RE REALLY HIGH. LIKE NICOLE, DO YOU REMEMBER? I THINK IT WAS SOMETHING LIKE 94

I THINK WE'RE 90% PLUS MARKET SHARE OF PEOPLE THAT ARE THAT ARE SCHOOL AGE CHILDREN GOING TO AISD SCHOOLS.

SO THIS IS SOMETHING WHERE IF I WERE TO LOOK AT DALLAS THAT IS NOT THE CASE. DALLAS, AS YOU SAID, IS A BIGGER CITY. IT'S ROUGHLY 20 YEARS BEHIND US IN TERMS OF POPULATION GROWTH AND TRENDS, AND I AND I THINK WE REALLY NEED IN OUR PLANNING, BOTH THE DISTRICT AND AND THE CITY NEED TO BE LOOKING AT HOW NOT TO FOLLOW THAT PATTERN. THEY COULD TURN BACK TIME. YOU KNOW, WHAT COULD THEY HAVE DONE DIFFERENTLY, BECAUSE I GREW UP IN DALLAS, AND I AND I HAVE LOTS OF FRIENDS WHO STILL LIVE IN DALLAS, AND WHERE I USED TO HAVE FRIENDS IN DIFFERENT PARTS OF THE

CITY WHO DID YOU KNOW, GO TO PUBLIC SCHOOLS THEMSELVES, THEY'RE NOT ANYMORE. THEY ARE NO LONGER DISD IS NOT THE MARKET CHOICE ANYMORE AND IT'S A VERY DIFFERENT POPULATION OF KIDS THAT SEEM TO BE GOING THERE. AND I GUESS MY QUESTION IS, YOU KNOW, HOW DO WE MAINTAIN THAT IN AUSTIN WHERE, YOU KNOW, THE IDEA I UNDERSTAND, YOU KNOW, THE CHALLENGES OF TRANSFERS AND SO FORTH. WE REALLY NEED TO LOOK AT AND SEE, YOU KNOW, WHAT DID THEY DO THERE, WHAT CAN WE AVOID DOING HERE, AND HOW DO WE GET THE PEOPLE, REGARDLESS OF WHICH TO THINK OF THE DISTRICT AS A WHOLE. SO IT IS IMPORTANT, YOUR NEIGHBORHOOD SCHOOL, BUT EVERYBODY NEEDS TO BE THINKING ABOUT ALL THE SCHOOLS, AND I DON'T KNOW IF WE CAN LEARN SOME PATTERNS, BUT AGAIN, THE DEMOGRAPHICS, I'M JUST CURIOUS ABOUT, YOU KNOW, AUSTIN TEN YEARS AGO VERSUS NOW, HOW MUCH HAVE WE LOST IN MARKET SHARE, IS THE TREND GOING IN THE WRONG DIRECTION AND CAN WE STOP IT BEFORE WE BECOME LIKE DALLAS.

WELL, WE'RE ONE OF THE CERTAINLY ON THE NATIONAL URBAN LANDSCAPE, WE ARE ABSOLUTELY UNIQUE. WE ARE LIKE ONE OF THE LAST URBAN DISTRICTS THAT'S ACTUALLY GROWING. I MEAN, AND COULD BE GROWING EVEN AT A FASTER RATE IF AND TO YOUR QUESTION WHEN YOU SAID LIKE YOU KNOW, YES, WE'RE THE NUMBER ONE CHOICE. I THINK THE QUESTION UNDERNEATH THAT IS, IS THAT NEIGHBORHOOD SCHOOL THE NUMBER ONE CHOICE FOR FAMILIES WHO HAVE SCHOOL AGE KIDS IN THAT ATTENDANCE AREA. THAT'S A DIFFERENT QUESTION, AND THAT'S WHERE YOU START SEEING THAT NUMBER DROP FROM 94% TO, LIKE, 50, 40, 30%. SO IF YOU'VE GOT TO DISAGGREGATE IT TO SEE WHAT'S REALLY UNDERNEATH THE NUMBERS, BUT IT'S A GREAT QUESTION. IF WE COULD GET UNDERNEATH THE NEXT LAYER AND UNDERSTAND ALL THE REASONS WHY WE HAVE SOME SENSE OF IT, BUT I THINK THAT'S THE PART WHERE YOU FILL YOU WILL FILL THE DRAIN. SO I DID AN ANALYSIS THAT I SENT TO THE BOARD ABOUT ONE PARTICULAR AREA OF EAST AUSTIN WHERE WE WERE FINDING EVEN THOUGH WE'RE GROWING AS A SYSTEM, WE AREN'T GROWING AS MUCH AS WE COULD BECAUSE WE HAVE SCHOOL AGE KIDS IN THAT NEIGHBORHOOD, BUT THEY'RE NOT CHOOSING AISD AT ALL. THEY'RE GOING TO EITHER OTHER SCHOOL SYSTEMS OR CHARTER SCHOOLS, AND THE GROWTH IN CHARTER SCHOOLS IN THAT AREA IS A LOT FASTER THAN ANY OTHER PART OF THE CITY. SO WHAT WE SO, YOU KNOW, KIND OF WHAT ONE OF THE THINGS THAT, YOU KNOW I'M TRYING TO INVESTIGATE AND GET DONE WITH THE BUDGET AND EVERYTHING ELSE AT THE SAME TIME, IS THOSE NUMBERS ALONE WOULD ALLOW IT WAS UPWARDS OF 4,000 KIDS. SO THESE ARE REAL NUMBERS, RIGHT? THEY COULD BE GOING TO OUR SCHOOLS FILLING UP ALL THE SCHOOLS THAT WE'RE TALKING ABOUT AS BEING UNDER ENROLLED OR CERTAINLY HELP US WITH THE ISSUE, BUT THEY'RE NOT CHOOSING US, AND A LOT OF THAT HAS TO DO WITH SOME OF THE ACADEMIC STRUGGLES WE'VE SEEN IN THE PAST AND TRYING TO MAKE THAT RIGHT AGAIN, BUT I WOULD ALSO SAY THAT, YOU KNOW, IT WOULD THERE'S GOING TO BE I'M SURE THERE'S A LOT THAT PARENTS WILL HAVE TO SAY, AND WE ARE GOING TO TRY TO GET TO THEM ABOUT WHAT KIND OF PROGRAMS IS OFFERED, YOU KNOW, THE SAFETY AND SECURITY PERCEPTIONS OF THE PAST AND THOSE SORTS OF THINGS THAT WE WOULD NEED TO OVERCOME. SO WE COULD BE EVEN SERVING SOME WE CAN CLEARLY SERVE SOME SCHOOL COMMUNITIES A LOT BETTER, BUT

SHADE: WELL, THIS IS A REALLY INTERESTING POINT AND I DO WANT TO LOOK INTO THAT MORE IN DEPTH, BECAUSE I THINK THAT'S WHERE THE THOUGHT OF, YOU KNOW OF A CITY THAT'S 20 YEARS AHEAD OF US IN POPULATION GROWTH, WHEN DID THEY HIT THE TIPPING POINT? BECAUSE AGAIN, WHEN I WAS GROWING UP I SAW THE MIGRATION THAT YOU'RE TALKING ABOUT IN SOME OF THE NEIGHBORHOODS THAT I HAD FRIENDS LIVING IN BUT NOW THEY IN, BUT NOW THEY TOTALLY TIPPED, THEY'RE NOT GOING BACK. AND SO WHERE IT MIGHT HAVE BEEN THE BEGINNING OF THE DECLINE, IT'S THE CANARY IN THE COAL MINE, AS THEY SAY. AND I THINK WE NEED TO UNDERSTAND THAT, FOCUS ON THAT, ESPECIALLY WHEN WE'RE TALKING ABOUT EXEMPLARY SCHOOLS THAT ARE ON THE LIST OF POTENTIAL CLOSURES, NOT ONLY WHAT THAT MEANS TO THAT PARTICULAR NEIGHBORHOOD, BUT

CITYWIDE FOR THE DISTRICT WIDE HOW THAT KIND OF CHIPS AWAY AT IT. AGAIN, I REALIZE WE HAVE LOTS OF THINGS ON OUR AGENDA TODAY. BUT AGAIN, THANK YOU, I LOOK FORWARD TO WORKING ON THIS. I'M HAPPY TO SUPPORT THE RESOLUTION TOMORROW. I THINK THIS IS ONE OF THE ISSUES THAT I'M GOING TO GUESS THAT ALL SEVEN OF US WOULD BE SUPPORTIVE OF WAYS TO HELP, AND I CAN SAY THAT IN PUBLIC AND YOU CAN CHALLENGE ME IF YOU DON'T, BUT I'M GUESSING THAT EVERYONE SITTING AROUND THIS TABLE IS REALLY LOOKING FORWARD TO SUPPORTING ANY EFFORTS WE CAN. THERE ARE A LOT OF THINGS THAT WE DO BOTH FUND IN THE SOCIAL SERVICES ARENA. MARK WILLIAMS AND I, ALONG WITH COUNCIL MEMBER MORRISON, SERVE ON THE COMMUNITY ACTION NETWORK AND WE SPEND A LOT OF TIME TOGETHER WORKING AT WAYS FOR THAT, AND I THINK THIS IS REALLY GOING TO RAISE THE BAR IN WAYS THAT WE CAN HELP WITH THAT STUFF, SO I'M LOOKING FORWARD TO IT.

MAYOR LEFFINGWELL: THANK YOU. COUNCIL MEMBER MORRISON.

MORRISON: THANK YOU, MAYOR. I REALIZE TIME IS GOING QUICKLY SO I'LL TRY TO BE A LITTLE BIT TERSE, BUT I WANT TO MENTION TO BOARD PRESIDENT WILLIAMS THAT YOU ASKED FOR HOPE IN OUTREACH BECAUSE YOU TRIED I WANT TO MENTION THIS IS THE FOURTH TIME I'VE HEARD THIS PRESENTATION. YOU ARE GETTING OUT INTO THE COMMUNITY. HEARD IT AT THE LEAGUE, KNC. SURE, ANYTHING WE CAN DO. BUT I APPLAUD YOU FOR TRYING TO BE SO ACCESSIBLE TO THE COMMUNITY. AND CERTAINLY I THINK WE'VE ALL ESTABLISHED AND AGREE THAT STRONG PUBLIC SCHOOLS MAKE A STRONG COMMUNITY, SO WE HAVE A VESTED INTEREST, AND ESPECIALLY IN THE VIBRANCY AND THE WAY WE WANT TO GROW AND THE SUSTAINABLE OF THE CITY WHICH BRINGS US TO THE CENTRAL CITY CONVERSATION. I DO WANT TO POINT OUT TWO OTHER THINGS. I THINK IT'S IMPORTANT FOR US TO KEEP IN MIND THE BIG PICTURE IN TERMS OF THE BENEFITS THAT IT BRINGS US TOO THAT HAVEN'T BEEN MENTIONED IN TERMS OF HAVING NEIGHBORHOOD SCHOOLS, ARE INCREASE BETTER PUBLIC HEALTH, BECAUSE WE HAVE KIDS THAT ARE ABLE TO WALK TO SCHOOL AND BIKE TO SCHOOL, AND THAT HAS LONG TERM FINANCIAL IMPACTS TO THE CITY AND THE WHOLE COMMUNITY. THE OTHER IS THE FEWER BUSES THAT THERE ARE AND CARS ON THE ROAD, THE FEWER EMISSIONS THAT WE HAVE. THAT'S CERTAINLY A COMMITMENT THAT WE AS A CITY AND AS A COMMUNITY HAVE. SO I THINK THAT AND THOSE ARE A COUPLE OF THINGS. I KNOW CNU HAS DONE SOME WORK, THE CONGRESS OF NEW URBANISM, REALLY POINTING OUT SOME THINGS THAT I THINK ARE GOING TO HELP INFORM THIS BROADER CONVERSATION. OF COURSE WE I THINK WE'VE LAID A REALLY GOOD FOUNDATION FOR WORKING TOGETHER WITH THE JOINT SUBCOMMITTEES, WITH THE SCHOOL DISTRICT ELECT ELECTED OFFICIALS FROM THE SCHOOL DISTRICT, THE CITY AND THE COUNTY, A THAT'S MYSELF AND THE MAYOR AND COUNCIL MEMBER SPELMAN AND YOU FOLKS AND JUDGE BISCOE. AND I WANT TO DO MENTION WE'RE GOING TO BE HAVING THIS CONVERSATION AGAIN THIS FRIDAY AT OUR MEETING AT 1:30

11:30.

11:30, SORRY. SO FOR THE FOLKS THAT WANT TO SEE THIS ALL OVER AGAIN THAT WILL BE THE OPPORTUNITY. BUT IT REALLY POINTS OUT THE WORK THE WORK WE'VE DONE THERE POINTS OUT THERE ARE THINGS WE CAN DO TO WORK SMARTER TO SERVE OUR COMMUNITY BETTER THAT DON'T COST MORE MONEY. WHEN THE CITY GOT STIMULUS FUNDS FOR RENTAL ASSISTANCE, WHAT WE DID WAS WORK LIAISON WITH THE SCHOOL DISTRICT SO THAT WE COULD MAKE SURE THAT FOLKS KNEW ABOUT THOSE, IF KIDS, PARTICULARLY, WERE GOING TO BE AFFECTED AND POTENTIALLY HAVE TO MOVE SCHOOLS, BECAUSE STUDENT MOBILITY IS SOMETHING THAT WE'RE ALL TRYING TO WORK ON. SO I THINK THAT THERE'S A LOT THAT WE'RE GOING TO BE ABLE TO DO, AND I DO WANT TO MENTION A COUPLE OF ISSUES BECAUSE I THINK THAT OBVIOUSLY THE WHOLE QUESTION OF PLANNING TOGETHER AND DOING EDUCATIONAL IMPACT ASSESSMENTS IS

SOMETHING THAT WE WORKED ON, AND WE'RE GOING TO BE PULLING INTO OUR CERTAINLY IN OUR COMPREHENSIVE PLANNING PROCESS LOOKING AT EDUCATION. I WANT TO GO BACK TO ONE POINT THAT YOU MADE, AND THAT IS AFFORDABILITY. THAT ONE OF THE THAT BEING A MAJOR ISSUE IN TERMS OF BEING ABLE TO KEEP FAMILIES IN THE CENTER CITY, AND THAT'S SOMETHING THAT WE WE, AS A COUNCIL, NEED TO KEEP, YOU KNOW, IN THE FOREFRONT EVERY TIME THAT WE HAVE DISCRETION, BECAUSE WE DO HAVE DISCRETION IN TERMS OF HELPING TO MAINTAIN AND PRESERVE AFFORDABILITY AS WELL AS PROMOTE PROJECTS THAT HAVE THE COMMUNITY BENEFITS OF AFFORDABILITY. AND TO CLOSE, WHAT I DO WANT TO DO IS I'VE HAD THE OPPORTUNITY I KNOW THE COMMUNITY IS BRAINSTORMING LIKE MAD BECAUSE THEY HAVE SO MUCH OF A VESTED INTEREST IN THIS, IN WAYS THAT I'VE HEARD FROM THEM, IN WAYS THAT THE CITY MIGHT BE ABLE TO PARTICIPATE IN HELPING TO DEAL WITH THE ISSUE, AND I JUST WANT TO THROW OUT SOME OF THOSE BECAUSE I KNOW THAT IN TERMS OF TANGIBLE THINGS, PEOPLE ARE SORT OF SCURRYING AROUND AND SAYING, WHAT IS IT? WHAT IS IT WE'RE ACTUALLY TALKING ABOUT? SO WHAT I ASSUME CAN BE PART OF THE CONVERSATION ONCE WE PASS THE RESOLUTION. I WANT TO THROW OUT A FEW OF THOSE IDEAS THAT I'VE HEARD FROM THE COMMUNITY, AND I REALLY APPRECIATE THEM. AND THIS MIGHT MAKE SOME PEOPLE CRINGE WHEN I THROW THEM OUT. LET ME JUST SAY IT'S JUST FOR POSSIBLE DISCUSSION, BECAUSE OBVIOUSLY WE AS A CITY HAVE TO BE FINANCIALLY RESPONSIBLE AND ADDRESS THE SERVICES THAT WE NEED TO PROVIDE. ON THE OTHER HAND, LET'S KEEP IN MIND THAT STRONG SCHOOLS MAKE STRONG PROPERTY VALUES, WHICH HELPS OUR REVENUE AT THE CITY, RIGHT? SO WE DO HAVE A VESTED INTEREST IN THIS. SO JUST TO THROW OUT A COUPLE OF THE IDEAS THAT I'VE HEARD. ONE IS CAN WE LOOK AT POTENTIALLY SPECIAL UTILITY RATES FOR A SCHOOL DISTRICT. ARE THERE PLACES WHERE WE LAND WELL, BOTH AUSTIN ENERGY AND THE WATER UTILITY, ARE THERE PLACES WHERE THE SCHOOLS ARE ON SHARED LAND WITH THE CITY? I GUESS ONE OF THE SCHOOLS THAT HAS BEEN UNDER DISCUSSION IS AND CAN WE SHIFT SOME OF THE FUNDING AND OPERATIONS AND MAINTENANCE THERE. AND THEN ANOTHER SUGGESTION, I HAVE NO IDEA HOW THIS MIGHT WORK, BUT IF SOME OF OUR CAPITAL INVESTMENT FOR ADA CAN SOMEHOW WORK TO HELP ON SHARED FACILITIES. OBVIOUSLY SHARED AS COUNCIL MEMBER COLE MENTIONED, IF WE HAVE SOME FACILITIES THAT MIGHT BE ABLE TO ABSORB SOME OF YOUR PROGRAMS, LIKE REC CENTERS, OR I DON'T KNOW WHAT THE STATUS AT THE MILLENNIUM YOUTH COMPLEX IS, AND I THINK THAT WE HAVE A SPECIAL OPPORTUNITY WITH OUR SOCIAL SERVICE CONTRACTS THIS YEAR BECAUSE WE'RE LOOKING AT WE HAVE ACCEPTED OR WE'VE PUT OUT AN RFP, WE HAVE PROPOSALS, AND WE HAVE A SPECTRUM OF PRIORITIES THAT WE WANT TO FILL. ONE OF THE THINGS WE WANT WE'LL WANT TO DO IS LOOK AT THE GAPS THAT MIGHT HAVE BEEN LEFT BECAUSE OF PROGRAMS THAT YOU ALL CAN'T FUND ANYMORE. SO WE MIGHT BE ABLE TO PRIORITIZE THEM A LITTLE BIT MORE. AND THEN LASTLY, WE'RE IN A SPECIAL SITUATION THIS YEAR WITH OUR FRANCHISE FEES WITH OUR PEG FUNDING, WHICH IS PUBLIC EDUCATIONAL AND GOVERNMENT CHANNELS, BECAUSE OF A FEDERAL LAW THAT THIS YEAR IS LIMITING OUR USE OF THOSE FUNDS TO CAPITAL EXPENDITURES, AND SO I KNOW THAT WE PROBABLY HAVE SIGNIFICANT CAPITAL NEEDS THAT ARE WAITING TO BE FUNDED, BUT THAT, IN FACT, IS FUNDING THAT CAN GO TO ANY PEG CHANNEL, INCLUDING EDUCATIONAL. SO WE MIGHT BE ABLE TO LOOK AT WAYS THAT THAT COULD HELP REPLACE SOME OF YOUR STUFF. AND THEN LASTLY I JUST WANT TO MENTION THAT I KNOW THAT IN THE PAST WE'VE HAD TO SOME DEGREE AN ACTIVE SCHOOL FOUNDATION, AND I THINK THAT, YOU KNOW, THERE'S SOME GREAT EXAMPLES IN OTHER CITIES OF THE COMMUNITIES STEPPING UP TO HELP OUT, EITHER BIG DONORS, SMALL DONORS. I KNOW IN PORTLAND THERE'S A MATCHING FUND THAT NEIGHBORHOODS CAN SORT OF GATHER MONEY AND HAVE IT MATCH FOR SPECIFIC PROGRAMS. I THINK WE MIGHT BE ABLE TO HELP IN TERMS OF REACHING OUT TO THE COMMUNITY. THAT'S WHERE THE NEIGHBORHOOD CHALLENGE WILL COME IN, AS COUNCIL MEMBER COLE

BOTH ITEMS.

MORRISON: YEAH, [CHUCKLE]. AND I KNOW I'VE WORKED A LITTLE BIT WITH COUNCIL MEMBER COLE ON THIS AND LOOKING AT YOU KNOW, WHAT IT MIGHT TAKE TO REJUVENATE THAT FOR PARTICULARLY A CAMPAIGN THAT COULD REALLY REACH OUT INDIVIDUALLY TO THE COMMUNITY, BECAUSE I THINK THE COMMUNITY UNDERSTANDS THIS IS A SITUATION WHERE WE ALL NEED TO STEP UP, WE ALL NEED TO WRAP OUR ARMS AROUND OUR CHILDREN AND FIND SOLUTIONS. SO IF WE CAN REACH OUT, FOR INSTANCE, ON THE PRE K STUFF AND ASK INDIVIDUALS TO JOIN A CAMPAIGN TO SPONSOR AN INDIVIDUAL CHILD OR SOMETHING LIKE THAT, AND I'D LOVE TO HELP DO OUTREACH AND WORK ON SOMETHING LIKE THAT WITH YOU, AND I'M SURE THAT ALL THE LEADERS IN THE COMMUNITY WOULD LIKE TO BE PARTICIPANTS. SO THOSE ARE JUST IDEAS I WANTED TO THROW OUT THERE. I KNOW THAT THE COMMUNITY HAS BEEN REAL CURIOUS ABOUT LIKE WHAT SPECIFICALLY WE'RE TALKING ABOUT, SO I WANTED TO GET THOSE ON THE TABLE.

THANK YOU, WE LOOK FORWARD TO WORKING WITH YOU ALL ON ALL OF THOSE IDEAS.

MAYOR LEFFINGWELL: ANYTHING FURTHER? COUNCIL MEMBER RILEY.

RILEY: I JUST WANT TO SECOND MY COLLEAGUE'S COMMENTS IN TERMS OF THANKING YOU FOR ALL THE WORK YOU'VE BEEN PUTTING IN ON THIS AND FOR BEING HERE TO SHARE IDEAS WITH US. I HAVE WELL, FIRST I WANT TO FOLLOW UP WITH SOME QUESTIONS AND COMMENTS FROM COUNCIL MEMBER COLE ABOUT THE WHOLE ISSUE OF CENTRAL CITY SCHOOLS AND ESPECIALLY THE PROSPECT OF CLOSING SOME CENTRAL CITY SCHOOLS, EVEN WHILE WE'RE FUNDING NEW CONSTRUCTION IN GROWING AREAS. I UNDERSTAND ALL THE PRESSURES RELATED TO KEEPING THE TRANSPORTATION DOWN AND SERVING STUDENTS WHERE THEY ARE, BUT GIVEN THE THE ISSUES THAT COUNCIL MEMBER COLE WAS MENTIONING ABOUT OUR LONG TERM INTEREST IN MITIGATING SPRAWL AND SUPPORTING GROWTH IN THE CENTRAL CITY AND ENSURING THE AFFORDABILITY AND FAMILY FRIENDLINESS OF OUR CENTRAL CITY, TO THE EXTENT THAT THOSE ARE LONG TERM GOALS THAT WE'RE WORKING TOWARDS IN OUR COMPREHENSIVE PLAN AND IN OTHER EFFORTS, TO WHAT EXTENT DO YOU SEE ANY HOPE OF SHORT TERM MEASURES THAT MIGHT WHETHER IT'S IN TERMS OF BOUNDARY INVESTMENTS OR INVESTMENTS TO OUR TRANSFER POLICIES, ANY SHORT TERM MEASURES THAT MIGHT HELP US KEEP THOSE CENTRAL CITY SCHOOLS OPEN IN THE SHORT TERM WHILE WE WORK TOWARDS OUR LONG TERM LONG TERM GOALS OF SUPPORTING THE ABILITY OF FAMILIES TO STAY IN THE CENTRAL CITY.

COUNCIL MEMBER RILEY, FIRST, I REALLY APPRECIATE THAT COMMENT, BECAUSE I DO THINK WE HAVE A VERY SMART ADULT SCHOOL COMMUNITY POPULATION. RIGHT? ALL OVER THE CITY. I HAVE SEEN PEOPLE THESE IDEAS COUNCIL MEMBER MORRISON SHARED. I WE WANT TO ONE MEETING AND ONE OF THE PARENTS I'M NOT MAKING THIS UP, HAD ANALYZED ALL THIS STATE STATUTE, WHICH I GAVE TO MEL AND TRY TO SORT THROUGH, BUT BRILLIANT IDEAS, STUFF THAT'S BEEN STUCK AWAY IN STATUTES. IS IT VIABLE, CAN WE DO SOMETHING SO THERE'S A LOT THERE ARE PLENTY OF SMART PEOPLE. SO THE FIRST THING IS, YES, I THINK THERE ARE LOTS OF OTHER SOLUTIONS OUT THERE. CAN'T SAY THAT IT'S THE ANSWER TO ALL OF OUR WOES IN THE POPULATION STUDENT POPULATION JUGGLING THAT WE NEED TO DO IN THE CENTRAL CITY, BUT I THINK THERE'S MORE THAT WE COULD FIND, AND I JUST WANT TO BE REAL CLEAR, WHEN AND I'M NOT DEFENDING ANYONE BUT I'M JUST SAYING THE FACT OF KIND OF WHAT TRANSPIRED. I WATCHED THE FACILITY MASTER PLAN TASK FORCE TALK ABOUT OPTIONS THAT DID INCLUDE BOUNDARY CHANGES AND SOME OTHER THINGS, AND PEOPLE WERE JUST AS CONCERNED IN THE AUSTIN WAY THAT WE DO THAT ABOUT THE BOUNDARY CHANGES AS THEY WERE ABOUT SCHOOL CLOSURES. SO I JUST WANT TO BE CLEAR. I THINK THERE ARE LOTS OF THINGS WE COULD BE DOING, BUT IT CAN'T ALWAYS START WITH NO, DON'T CHANGE ANYTHING, BECAUSE THE PROBLEM IS NOT GOING AWAY. MY BOARD IS GOING TO EXPECT A RECOMMENDATION FROM ME, AND ALL THOSE SMART PEOPLE I'M TALKING ABOUT NEED TO

HELP ME BY TALKING TO ME ABOUT SOLUTIONS, AND EVERY CONVERSATION CAN'T START WITH, DON'T CLOSE MY SCHOOL, SAVE MY SCHOOL, AND, YOU KNOW, JUST REALLY FORCIBLY SAYING THAT, YOU KNOW, EVERY TIME WE TRY TO TALK TO SCHOOL COMMUNITIES, BUT MORE IMPORTANTLY, WHEN WE ARE LOOKING AT BOUNDARIES, WHEN WE'RE LOOKING AT TRANSFERS, WHEN WE'RE LOOKING AT THOSE POLICIES, TO ACTUALLY SIT DOWN AND TALK TO US ABOUT THAT AND GET AS INFORMED AS THEY ARE ABOUT THE DETAILS OF THEIR SCHOOL. SO IN ORDER FOR US TO GET TO MORE SOLUTIONS, I NEED PEOPLE TO KIND OF START WORKING TOWARD A SOLUTION ORIENTATION, AT LEAST IN THEIR MIND SET, UNTIL WE CAN WORK THROUGH WHETHER ANY OF THESE THINGS ARE VALUABLE OPTIONS. SO ANY HELP YOU ALL CAN GIVE TO US WITH THE SCHOOL COMMUNITY THAT YOU KNOW, I WANTED TO MEET WITH ONE THIS WEEK AND, YOU KNOW, SAID, PLEASE, THINK ABOUT SOME SOLUTIONS. I UNDERSTAND YOU DON'T WANT THE SCHOOL CLOSED, BUT THE COMMENT BACK WAS, YOU KNOW, WE DON'T HAVE ANY SOLUTIONS. WE WANT TO TELL YOU, YOU KNOW, DON'T CLOSE OUR SCHOOL. AND THAT'S NOT REALLY HELPING RIGHT NOW, AND BELIEVE ME, WE ALL GET IT, NO ONE WANTS A SCHOOL CLOSED, BUT SOMETHING IS GOING TO HAVE TO GIVE. SO ANYTHING THAT PEOPLE CAN DO TO HELP, YOU KNOW, GET THOSE SMART PEOPLE REALLY USING THEIR LITTLE THINKING CAPS WOULD BE I THINK WOULD OPEN UP JUST NOT ONLY OPPORTUNITIES FOR THEM BUT EVEN THINGS THAT WOULD BENEFIT OTHER SCHOOLS IN OTHER PARTS OF AUSTIN. IT MIGHT NOT SERVE THEIR PURPOSE, BUT IT MIGHT SERVE SOMEONE ELSE'S, AND WE REALLY NEED THOSE PEOPLE AT THE TABLE WITH ME AND THE DATA TO COME UP WITH A SOLUTION THAT I CAN PRESENT BOTH TO THE SCHOOL BOARD AND THE CITY.

COUNCIL MEMBER MORRISON, TRY TO BE QUICK. SHORT TERM BEING NEXT SCHOOL YEAR VERSUS INTERMEDIATE BEING ONE OR TWO OR LONGER TERM. SOME OF THE CHALLENGES ARE THE TIMING. TRANSFER POLICIES ARE ALREADY IN FLIGHT BECAUSE SCHOOL YEAR FOR NEXT YEAR IS STARTING. WE'VE GOT THAT TRANSFER PROCESS STARTING. THEY HAVE TO FILL OUT CHOICE SHEETS, THEY HAVE TO FIGURE OUT WHAT CLASSES THEY'RE GOING TO TAKE SO A LOT OF THAT STUFF IS HAPPENING. SO IT'S HARD TO EFFECT CHANGES IN TRANSFER POLICY FOR NEXT SCHOOL YEAR. MY SIGN UP SHEET I WAS REFERRING TO EARLIER WAS REALLY ABOUT BOUNDARIES BECAUSE WHEN I FIRST GOT ON THE SCHOOL BOARD SOMEONE SAID BOUNDARY CHANGES ARE THE HOLY WAR OF SCHOOL BOARD BUSINESS, BECAUSE PEOPLE MOVE INTO A HOUSE TO GO TO A CERTAIN SCHOOL AND THEY DON'T NECESSARILY WANT TO CHANGE TO GO TO A DIFFERENT SCHOOL. THAT HAS TIME TO AFFECT IT AND IT HAS A DOMINO EFFECT. WE CAN CHANGE IT BUT IT WE TALKED ABOUT IT ON A GLOBAL BASIS, IT'S JUST DIFFICULT TO DO, AND IN THE PAST WE'VE USED CITIZENS, COMMUNITY MEMBERS, TO PARTICIPATE ON THESE TASK FORCES BOTH ON A BROAD BASIS AND AN INDIVIDUAL SCHOOL LEVEL. THE CHALLENGE WE MIGHT HAVE IS OUR FACILITY TASK FORCE. PEOPLE EXPERIENCE SOME VERY DIFFICULT TIME, YOU KNOW, WHEN PEOPLE DON'T LIKE WHAT THEY'RE HEARING, SOMETIMES THEY ATTACK THE PROCESS, SOMETIMES THEY ATTACK THE DATA, BUT SOMETIMES THEY ATTACK THE PEOPLE. AND THEREFORE WE'RE NOT IN AN ENVIRONMENT THAT REALLY IS ENCOURAGING PEOPLE TO WANT TO PARTICIPATE IN THESE KIND OF ACTIVITIES BECAUSE IT'S A VERY IT BECOMES VERY PERSONAL TO THEM AND THEY'RE TRYING TO HELP, AND PEOPLE SOMETIMES ATTACK MOTIVES AND THINGS WHEN INTEGRITY IS NOT THE ISSUE, IT'S JUST THE OUTCOME ISN'T WHAT WE LIKE. SO A LOT OF THESE THINGS WILL TAKE TIME AND EFFORT BUT THEY'RE CERTAINLY ON THE LIST AND I THINK TO SUPERINTENDENT'S COMMENTS, YOU KNOW, WE SORT OF THIS IS WHAT WE WANT TO WORK AND APPRECIATE THE RESOLUTION, KIND OF WORK THROUGH ALL THESE THINGS WITH YOU AND FIND OUT WHAT OPTIONS ARE MORE VIABLE THAN OTHERS AND TRY TO MOVE FORWARD THOSE WE CAN DO QUICKER AND SOME OF THESE MIGHT TAKE A LITTLE BIT MORE TIME.

RILEY: WE CAN, I CAN SEE THAT THERE ARE NO EASY ANSWERS TO THE PROBLEMS THAT WE'RE FACING TODAY. LIKE COUNCIL MEMBER SHADE, I DO STRONGLY SUPPORT THE RESOLUTION THAT'S ON OUR AGENDA FOR TOMORROW, THAT WILL LAUNCH AN EFFORT TO

IDENTIFY EFFICIENCIES THAT WE COULD WORK ON TOGETHER, POTENTIAL PARTNERSHIPS, ANY WAYS THAT THE CITY CAN SUPPORT THE SCHOOL DISTRICT IN THIS DIFFICULT TIME. I ALSO WANT TO NOTE THAT TWO OF US, THE MAYOR PRO TEM AND I, BOTH SERVE ON THE BOARD OF CAPITAL METRO, AND OF COURSE TRANSPORTATION IS A SIGNIFICANT ISSUE FOR THE SCHOOL DISTRICT, AND MAYBE EVEN A MORE SIGNIFICANT ISSUE AS A RESULT OF SOME OF THE CONVERSATIONS WE HAVE, GIVEN THE CURRENT PRESSURES. AND SO I JUST WANT TO EXTEND AN INVITATION TO HAVE SIMILAR CONVERSATIONS BETWEEN THE SCHOOL DISTRICT AND CAPITAL METRO TO THE EXTENT THAT THERE MAY BE ANY KIND OF OPERATIONAL EFFICIENCY, THEY ARE POTENTIALS FOR PARTNERSHIPS THERE, AND I KNOW WE'D BE GLAD TO HAVE A CONVERSATION ABOUT THAT. JUST LAST WEEK WE WERE TALKING ABOUT WAYS THAT THE CITY AND CAPITAL METRO COULD PARTNER ON THINGS LIKE FUELING STATIONS THAT COULD BE SHARED BY THE TWO ENTITIES, THAT COULD REDUCE THE COST FOR EACH ENTITY. TO THE EXTENT THAT THERE MIGHT BE ANY SIMILAR OPPORTUNITIES FOR THE SCHOOL DISTRICT TO PARTNER WITH CAPITAL METRO, I KNOW WE'D BE GLAD TO HAVE THOSE CONVERSATIONS AS WELL. SO THANK YOU FOR BEING HERE TODAY, FOR ALL YOUR WORK ON THIS, AND WE'LL LOOK FORWARD TO CONDITIONING TO WORK WITH YOU IN THE COMING WEEKS TO SEE WHAT WE CAN DO TO ADDRESS THE VERY DIFFICULT PROBLEMS THE SCHOOL DISTRICT IS FACING.

THANK YOU.

MAYOR LEFFINGWELL: COUNCIL MEMBER SHADE.

HEARING COUNCIL MEMBER RILEY'S QUESTION. OF THE ELEMENTARY SCHOOL KIDS, HOW MANY DO TAKE BUSES? DO YOU HAVE AN IDEA WHAT THE PERCENTAGE IS RIDING BUSES VERSUS RIDING OR WALK RIDING ON BUSES VERSUS RIDING ON WALKING?

I WANT TO SAY IT'S 30,000 KIDS ON BUSES

ON ELEMENTARY SCHOOLS.

I DON'T KNOW THE RIGHT NUMBER.

FOR ELEMENTARY ALONE, I CAN'T DO IT. I DON'T KNOW IT OFF THE TOP OF MY HEAD.

WHEN WE TALK ABOUT BABIES ON BUSES, ARE THERE REALLY LITTLE KIDS?

OUTSIDE TWO MILES, WHICH SOME OF THE [INAUDIBLE] ARE LARGER, KIDS RIDE BUSES, AND FOR SOME OF THE KIDS WITHIN TWO MILES, A LOT OF KIDS DO WALK TO SCHOOL, BUT THE SCHOOLS THAT HAVE EXCESS CAPACITY ARE GENERALLY BEYOND TWO MILES FROM WHERE THE FAMILIES LIVE WHICH MEANS THEY HAVE TO GET BUS TRANSPORTATION OR SOMEONE TAKE THEM BECAUSE IT'S OUTSIDE WALKING DISTANCE. A DIFFERENT CHALLENGE WE HAVE WITH SOME OF OUR FAMILIES IS EVEN IF YOU'RE WITHIN TWO MILES BY LAW WE'RE NOT REQUIRED TO PROVIDE TRANSPORTATION AND GET NO FUNDING TO DO SO, THAT IF IT RAINS OR GETS COLD FOR SOME OF THOSE CHILDREN THEY DON'T COME TO SCHOOL THAT YEAR.

MAYOR LEFFINGWELL: OKAY. WE APPRECIATE

I JUST WANT TO ADD ONE OTHER THING. MOST OF OUR TRANSPORTATION COSTS ARE TO SERVE SPECIAL EDUCATION STUDENTS, AND THAT'S THE PIECE THAT BUT WE CAN GET YOU THAT INFORMATION.

HOPEFULLY THESE ARE THE KIND OF THINGS WE CAN GET TOGETHER ON AND SHARE MORE INFORMATION OVER TIME.

MAYOR LEFFINGWELL: WE APPRECIATE YOU COMING OUT TODAY AND SHARING ALL THIS INFORMATION WITH US AND GETTING YOUR PERSPECTIVE ON IT, AND, YOU KNOW, WE HAVE THE RESOLUTION, THE COUNCIL RESOLUTION THAT'S BEFORE YOU. YOU'RE ALSO OBVIOUSLY GETTING INPUT FROM A LOT OF OTHER SOURCES, AND I'M SURE YOU'LL TAKE ADVANTAGE OF ALL OF THOSE EVALUATE ALL THE REASONABLE SUGGESTIONS THAT YOU GET. SO AGAIN, THANK YOU VERY MUCH FOR BEING HERE TODAY, AND WE LOOK FORWARD TO WORKING MORE WITH YOU IN THE FUTURE.

WELL, THANK YOU. AND I'LL JUST SAY, WE APPRECIATE ALL THESE SOMETIMES UNREASONABLE SUGGESTIONS BUT IT HELPS US THINK DIFFERENTLY.

THINK ABOUT THE UNREASONABLE ONES TOO.

WE GET THOSE. IF I COULD TRUSTEE BRADLEY HAS JOINED US HERE IN SUPPORT SO I'D LIKE TO SAY THANK YOU.

MAYOR LEFFINGWELL: WELCOME.

THANK YOU ALL VERY MUCH.

MAYOR LEFFINGWELL: COUNCIL, THE NEXT ITEM ON OUR AGENDA IS DISCUSSION AND POSSIBLE ACTION ON WORK SESSION PROCEDURES. AS YOU KNOW, WE'RE KIND OF NEW TO THIS, AND WE'RE TRYING TO DEVELOP A FORMAT THAT WILL BE EFFICIENT AND GUIDE US THROUGH THESE WORK SESSIONS SO THAT THEY CAN BE SET DOWN AND EVERYBODY WILL KNOW EXACTLY WHAT TO EXPECT. I WOULD RESPECTFULLY SUGGEST THAT WE NOT TAKE ACTION TODAY. WE'RE STILL IN THE PROCESS THE CITY MANAGER IS STILL IN THE PROCESS OF WORKING HIS WAY THROUGH SOME VARIOUS SCENARIOS TO PRESENT TO US, BUT I THINK ONE THAT I THINK HAS BECOME VERY EVIDENT JUST IN THE FIRST MEETING AND THIS ONE AS WELL, IS THAT IT'S A HUGE DRAIN ON CITY RESOURCES TO HAVE EVERY DEPARTMENT REPRESENTATIVE REPRESENTED HERE JUST WAITING FOR US TO POSSIBLY CALL ON THEM. SO ONE THING, CITY MANAGER, THAT I WOULD LIKE TO HAVE ADDED TO THE MIX IS SOME KIND OF SYSTEM TO LIMIT THAT, PERHAPS SOMETHING THAT THE COUNCIL COULD CONSIDER IS NOT HAVING STAFF MEMBERS STANDING BY UNLESS THEY'RE SPECIFICALLY REQUESTED TO DO SO BY DEPARTMENT OR BY NAME, WHATEVER THE PREFERENCE IS, TO ANSWER QUESTIONS ON A CERTAIN ITEM, BECAUSE AFTER ALL, THIS IS REALLY THE THE WORK SESSION IS NOT INTENDED TO BE PRIMARILY AN INTERACTION WITH THE CITY STAFF. THAT COMES AT THE COUNCIL MEETINGS. IT'S PRIMARILY INTENDED FOR US TO THE BULK OF THE DISCUSSION SHOULD, IN REALITY, BE AMONG OURSELVES. AND SO THAT'S ONE THING I'D LIKE YOU TO CONSIDER AS WE COME BACK IN OUR NEXT WORK SESSION, WHICH WILL AGAIN BE A SPECIAL CALLED MEETING TWO WEEKS FROM TODAY, AND WITH A LITTLE MORE FLESHED OUT POSSIBLE SCENARIOS PROVIDED BY THE MANAGER. AND I THINK AT THIS TIME, YOU KNOW, IF ANY OF YOU HAVE ANY OTHER SPECIFIC SUGGESTIONS THAT YOU WOULD LIKE TO SEE INCLUDED IN THOSE SCENARIOS, NOW WOULD BE THE TIME TO BRING THEM UP.

MAYOR?

MAYOR LEFFINGWELL: MAYOR PRO TEM.

MARTINEZ: THANKS, MAYOR. I FIRST OF ALL APOLOGIZE FOR NOT BEING HERE LAST WEEK. I

HAD THE WORST FLU I EVER HAD IN MY LIFE. FEELING MUCH BETTER THIS WEEK. BUT I WAS WATCHING ON LINE FROM HOME AS I WAS LAYING ON THE FLOOR ON MY BACK BECAUSE I COULDN'T MOVE. SOME THINGS CAME TO MIND WHEN I WATCHED YOU GUYS INTERACT. YEAH, I KNOW, RANDI FEELS SORRY FOR ME. [LAUGHTER] YOU KNOW, WE WERE TALKING ABOUT AND YOU BROUGHT THIS UP JUST NOW, MAYOR, ABOUT HOW IT CAN GET SOMEWHAT INEFFICIENT HAVING SO MANY FOLKS SITTING AROUND FOR A POTENTIAL QUESTION, AND SO WHAT CAME TO MIND IN THE ROUND OF QUESTIONING WAS I FELT LIKE WE ACTUALLY HAVE A SYSTEM IN PLACE THAT WE USE DURING BUDGET CYCLE, AND I SPOKE WITH THE CITY MANAGER ABOUT THIS EARLIER THIS WEEK, BUT DURING THE BUDGET CYCLE WE LITERALLY HAVE A SCROLLING Q AND A ON THE WEB AVAILABLE TO EVERY ONE OF US, INCLUDING THE PUBLIC AND THE WORLD, TO SEE WHAT WE'RE ASKING AND WHAT THOSE RESPONSES ARE, AND IF THERE'S A FOLLOW UP QUESTION IT'S ADDED TO IT, AND THE RESPONSE IS ADDED TO IT. FOR ME, I DON'T KNOW HOW DIFFICULT THAT WOULD BE TO NOW TRANSITION THAT INTO A DAILY OPERATION OR AT LEAST A WEEKLY OPERATION ON THE WEEKS THAT WE HAVE COUNCIL MEETINGS, BUT THAT TO ME COULD PROVE TO BE MUCH MORE AFFECTIVE IN GETTING RESPONSES AND QUESTIONS OUT THERE, RATHER THAN HAVING DOZENS AND DOZENS OF KEY STAFFERS TO BE ASKED A QUESTION. SO THAT WAS ONE OF THE SUGGESTIONS I WANTED TO THROW OUT THERE THAT IN SOME WAY, SHAPE OR FORM, WE ALREADY HAVE A SYSTEM IN PLACE THAT POSSIBLY COULD WORK VERY WELL FOR US AND MINIMIZE THE IMPACTS OF WORK SESSIONS, WHEREAS YOU JUST MENTIONED THEY COULD BE MORE OF A CONVERSATION AMONG COUNCIL MEMBERS AS OPPOSED TO AN INTERACTION BACK AND FORTH AMONG STAFF.

MAYOR LEFFINGWELL: THANK YOU, MAYOR PRO TEM. ANYTHING ELSE TO ADD, COUNCIL MEMBERS? OKAY, WE'LL LOOK FORWARD TO ANOTHER CONSIDERATION OF THE SAME ITEM TWO WEEKS FROM TODAY WITH FLESHED OUT SCENARIOS AND HOPEFULLY A ROADMAP TO HOW WE CONDUCT THESE MEETINGS. COUNCIL MEMBER SHADE?

SHADE: I THINK ONE THING WE TALKED ABOUT LAST WEEK THAT MIGHT ALSO BE A SOLUTION, IS IF THERE IS AN ITEM THAT WE AS COUNCIL MEMBERS WANT A STAFF PERSON AVAILABLE TO ADDRESS, THAT WE HAVE TO HAVE ASKED BY 5:00 THE NIGHT BEFORE OR SOMETHING LIKE THAT, MAYBE, SO THAT THAT PERSON AT LEAST WOULD KNOW THAT THEY'RE ON CALL AS OPPOSED TO EVERYBODY ELSE.

MAYOR LEFFINGWELL: YEAH, THERE'S CERTAINLY A LOT OF DIFFERENT WAYS TO DO IT, BUT I WOULD I WOULD CERTAINLY WANT TO CONSIDER HAVING MUCH MORE ADVANCE NOTICE, LIKE BY NOON ON FRIDAY, ON THE FRIDAY PRECEDING THE WORK SESSION, WOULD BE A GOOD TIME TO PERHAPS LET THE CITY MANAGER KNOW THAT YOU ARE REQUESTING THIS PARTICULAR STAFF PERSON TO BE THERE TO PROVIDE INFORMATION TO YOU. BUT TIMING IS SOMETHING WE CAN CERTAINLY DISCUSS.

SHADE: WAS THERE STILL TALK ABOUT NOT HAVING THIS ON WEDNESDAY BUT A DIFFERENT IS THAT STILL SOMETHING BEING CONSIDERED?

MAYOR LEFFINGWELL: IT'S AN OPEN ISSUE AS FAR AS I'M CONCERNED. I THINK WE'VE PRETTY WELL RULED OUT TUESDAY AFTERNOON. I DON'T THINK WE'D WANT TO DO IT ON MONDAY AFTERNOON BECAUSE THAT'S JUST TOO EARLY. SO OPEN TO SUGGESTIONS FROM ANYONE ON THAT. WE MAY WANT TO WE MAY HAVE TO CONSIDER A MORNING AS WE MAKE THAT FINAL DECISION. BUT I YOU KNOW, I THINK TUESDAY AFTERNOON WOULD BE IDEAL, BUT THERE ARE DEFINITELY FIRM CONFLICTS WITH THAT. SO PERHAPS WEDNESDAY MORNING OR TUESDAY MORNING WOULD BE BETTER. LET'S THINK ABOUT THAT AS WE GO FORWARD. SO WITHOUT OBJECTION, COUNCIL, WE WILL TABLE THIS ITEM UNTIL WELL,

MAYOR PRO TEM.

MARTINEZ: I'M SORRY, MAYOR. I JUST WANTED TO ADD I LOST MY TRAIN OF THOUGHT. IT WAS SOMETHING THAT CAME TO MIND LAST WEEK WHEN I WAS WATCHING OH, HERE'S SO WE'VE ALREADY ADOPTED A COUNCIL SCHEDULE FOR THE ENTIRE CALENDAR YEAR, AND WHILE IT AGAIN, IT MAY BE DIFFICULT, IT MIGHT MERIT SOME TIME AND CONSIDERATION TO REVISIT THAT, BECAUSE, TO BE HONEST, WE ONLY MEET 20 TO 25 TIMES A YEAR. WE DON'T MEET ONCE A WEEK, LIKE MOST PEOPLE THINK WE DO.

MAYOR LEFFINGWELL: 26 REGULAR MEETINGS.

MARTINEZ: RIGHT. SO MAYBE STRUCTURALLY IT COULD BE MORE EFFICIENT TO ACTUALLY SCHEDULE MEETINGS EVERY OTHER WEEK, SINCE WE ONLY HAVE 26 MEETINGS A YEAR, GIVING US THAT ONE WEEK GAP IN BETWEEN, TO PLAY CATCH UP, TO DO WORK AS OPPOSED TO WHAT WE'RE DOING THIS WEEK. LAST WEEK WE HAD A MEETING, THIS WEEK WE HAVE A MEETING, SO WE'RE SANDWICHING TWO RIGHT TOGETHER, YET NEXT WEEK WE'RE NOT. SO I THINK THERE SHOULD BE SOME CONSIDERATION TO LOOKING AT THE CITY COUNCIL MEETING CALENDAR AND DETERMINE WHETHER GOING TO AN EVERY OTHER WEEK SCENARIO WOULD BE MORE EFFICIENT AND HELPFUL TO STAFF

MAYOR, IF I MAY

MAYOR LEFFINGWELL: STILL AN OPEN ITEM, MAYOR PRO TEM. CITY MANAGER?

I DO APPRECIATE ALL THESE SUGGESTIONS, AND I WILL TELL YOU THAT AFTER YOUR FIRST WORK SESSION WE ACTUALLY IMMEDIATELY WENT TO WORK. WE MET THAT AFTERNOON TO BEGIN TO WORK OUR WAY THROUGH THIS DISSECTING IT, AS I THINK I SAID PUBLICLY TO THE MEDIA. BUT OF THE GREAT SUGGESTIONS THAT I'VE HEARD JUST THIS AFTERNOON, I WOULD TELL YOU ALREADY THAT ALL OF THOSE DIFFERENT THINGS THAT YOU'VE MENTIONED ARE ALREADY IN THE MIX OF CONSIDERATIONS THAT WE'RE EVALUATING.

COLE: MAYOR, I HAVE A QUICK ITEM.

MAYOR LEFFINGWELL: COUNCIL MEMBER COLE.

COLE: I'M WONDERING IF IT'S IN THE MIX TO CONSIDER WHEN WE BECAUSE WE HAVE WE DECIDED THAT EVERY COUNCIL MEMBER HAS A RIGHT TO POST AN ITEM, TO ACTUALLY HAVE POSTED THE ITEMS THAT YOU HAVE QUESTIONS ON THAT YOU WANT TO BE DISCUSSED IN PUBLIC WORK SESSION, BECAUSE I FOUND LAST TIME THAT THERE WERE A LOT OF INDIVIDUAL QUESTIONS BETWEEN PARTICULAR COUNCIL MEMBERS AND STAFF THAT I JUST DID THE DIDN'T HAVE. AND I ALSO DIDN'T HAVE ANY DISCUSSION ITEMS, AND SO THAT FOR ME PERSONALLY THIS TIME I REALLY ENJOY THE FACT THAT WE'RE ALL HERE, BUT I WANT TO BE TALKING ABOUT, WELL, ARE WE GOING TO CHANGE OUR POLICY TO DEAL WITH AISD, WHAT ARE YOU HEARING ABOUT THE COMPREHENSIVE PLAN? ARE WE READY TO START TALKING ABOUT THE BUDGET? WHAT DO YOU THINK ABOUT THE TAX RATE? I DON'T WANT ALL OF US TO BE COMING HERE IN THE MIDDLE OF THE WEEK AND WE'RE JUST FOCUSING IN ON LITTLE BITTY ITEMS OF THE AGENDA THAT COULD BE ANSWERED INDIVIDUALLY BETWEEN STAFF MEMBERS AND

MAYOR LEFFINGWELL: THAT'S SOMETHING THAT WE DISCUSSED LAST WEEK, AND CERTAINLY THAT'S SOMETHING WE WANT TO DO, IS ALLOW COUNCIL MEMBERS TO POST ITEMS SPECIFIC THAT THEY WANT TO DISCUSS THAT MAY, YOU KNOW, BE TOTALLY

UNRELATED TO

COLE: OH, NO, I'M SAYING IN ISOLATION, SO THAT IF YOU HAVE NOT POSTED A PARTICULAR QUESTION, THE STAFF MEMBERS DO NOT HAVE TO BE HERE FOR THE ENTIRE AGENDA, AND THAT'S A WAY TO ALLEVIATE THE BURDEN ON THE STAFF.

MAYOR LEFFINGWELL: YEAH, I THINK THAT'S ANOTHER WAY OF SAYING THAT'S ANOTHER WAY OF SAYING I THINK YOU WERE OUT OF THE ROOM WHEN I SAID THAT.

COLE: OH, I'M SORRY.

MAYOR LEFFINGWELL: OKAY. SO THAT IS THAT IS ON THE LIST OF POSSIBLE SCENARIOS. SO IS THERE ANYTHING ELSE BEFORE I SAY AGAIN THAT, WITHOUT OBJECTION, WE'LL TABLE THIS IN TWO WEEKS. OKAY. SO NOW WE WILL GO TO THE AGENDA ITSELF, AND RATHER THAN PLOD THROUGH IT LIKE I DID LAST WEEK, I'M JUST GOING TO TOTALLY OPEN IT UP AND FIRST SAY THAT COUNCIL MEMBER COLE HAS REQUESTED THAT WE TALK ABOUT SHE WANTS TO TALK ABOUT THE ITEMS RELATED TO WALLER CREEK TUNNEL. AND THERE ARE SEVERAL, AND LET ME SAY THAT THE PROCEDURE WILL BE TO NOT ADDRESS ANY OF THESE ITEMS SEPARATELY BUT ADDRESS THEM ALL TOGETHER, AND SINCE WE ARE REQUIRED TO HAVE ITEM 69, WHICH IS POSTED PUBLIC HEARING AT 4:00, WE WOULD ALSO AFTER THAT PUBLIC HEARING TAKE UP ITEMS 12, 17, 25 AND 26 FROM THE CONSENT AGENDA ALL TOGETHER. SO WITH THAT SAID, AND UNDERSTANDING THE PROCEDURE, AND A LOT OF THIS IS LEGALISMS, AND I WILL HAVE A SCRIPT PROVIDED BY THE LAW DEPARTMENT TO GUIDE US THROUGH THIS PROCESS, COUNCIL MEMBER COLE IS RECOGNIZED.

COLE: I BELIEVE THAT ASSISTANT CITY MANAGER ROBERT GOODE AND DIRECTOR JOE PANTALION, HAD A BRIEF PRESENTATION THAT THEY WANTED TO PUBLICLY MAKE, AND LESLIE BROWDER? IS THAT ALSO?

AS THE MAYOR INDICATED, ON THURSDAY COUNCIL WILL BE CONSIDERING A NUMBER OF ITEMS RELATED TO THE WALLER CREEK TUNNEL PROJECT. ONE OF THOSE ITEMS IS THE AWARD OF THE TUNNEL CONSTRUCTION CONTRACT. WE'RE ALSO PLANNING TO UPDATE YOU RELATED TO THE FINANCING PLAN, WHAT THE ORIGINAL PLAN WAS, WHAT WE HAVE THE REVISIONS THAT WE HAVE MADE TO IT SINCE THAT TIME TO BASICALLY PUT TOGETHER ALL OF YOUR LATEST ESTIMATES WITH THE FUNDING PLAN FOR THE WALLER CREEK TUNNEL, AND TODAY WHAT WE WANTED TO DO WAS TRY TO ANTICIPATE A FEW OF THE QUESTIONS THAT YOU HAVE. JOE IS GOING TO TALK BRIEFLY ABOUT THE PROJECT AND THEN I'LL HIT SOME OF THE HIGH POINTS OF THE REVISIONS TO THE FINANCING PLAN AND THEN WE'LL HAVE THE MEETING TOMORROW.

THANK YOU LESLIE. I WANT TO GIVE A BRIEF BACKGROUND TO THE PROJECT. IS THIS ON?

YOU JUST HAVE TO PUSH IT.

OKAY. THE SCOPE OF THE PROJECT FOR THE WALLER CREEK TUNNEL FLOOD CONTROL PROJECT IS REALLY WHAT IS IT'S JUST A TUNNEL PROJECT FROM WATERLOO PARK TO THE BANKS OF WALLER BEACH, AND IT'S A LARGE PROJECT. IT'S 26 FOOT DIAMETER TUNNEL AT ITS TERMINUS, AND WHEN YOU LOOK AT THE PRIORITY FOR THIS PROJECT AND HOW IT GOT THERE, WE REALLY GO BACK TO OUR WATERSHED PROTECTION MASTER PLAN AND EVEN YOU CAN GO BACK BEFORE THEN. YOU CAN GO BACK 100 YEARS TO 1915 WHEN THERE WERE A NUMBER OF PEOPLE THAT DIED IN A STORM EVENT AT THAT TIME. ALSO THROUGH TIME, 1981, THE MEMORIAL DAY FLOOD OF 1981 CAUSED A LOT OF DAMAGE NOT ONLY IN LOWER SHOAL CREEK BUT ALSO IN LOWER WALLER CREEK, AND THAT FLOOD WAS REALLY

THE EMPTY IMPETUS FOR THE DEPARTMENT TO CREATE THE DRAINAGE FEE TO PAY FOR OPERATION AND MAINTENANCE AND NEW IMPROVEMENTS TO OUR FLOOD CONTROL SYSTEM. SO THE DRAINAGE FEE STARTED IN 1982 AND HAS BEEN THE PRIMARY FUNDING SOURCE FOR OUR OPERATION AND MAINTENANCE OF OUR STORM DRAIN SYSTEM, OUR CREEK RESTORATION PROGRAMS AND OUR WATER QUALITY PROGRAMS. AGAIN, AS I SAID, THE CREEK HAS A NUMBER OF FATALITIES DATING BACK AS LATE AS 1915, BUT AS RECENTLY AS 2007. SO WHEN YOU CONSIDER THAT THE FLOODPLAIN IS 800 FEET WIDE, AND COVERS 28 ACRES OF DOWNTOWN AUSTIN, AND WHEN IT'S AT A FLOOD STAGE, YOU PRETTY MUCH HAVE A SMALL RIVER, 3.7 MILLION GALLONS OF FLOODWATERS PER MINUTE COMING DOWN THAT CREEK CHANNEL AT 78 FEET PER SECOND. IT'S A VERY DANGEROUS SITUATION. THAT'S WHY WE CONSIDER IT AMONG OUR HIGHEST PUBLIC SAFETY NEEDS FROM A WATERSHED PROTECTION STANDPOINT. BUT BEYOND JUST FLOOD CONTROL I ALSO WANT TO TALK ABOUT OUR EROSION WATER QUALITY MISSIONS, TWO PRIMARY MISSIONS. FOR EROSION, LOWER WALLER CREEK, IF IT'S NOT NUMBER ONE IT'S NUMBER TWO, NUMBER TWO RATED PROJECT IN TERMS OF HAVING THE HIGHEST PRIORITY PROBLEM AREAS ALONG ANY AUSTIN CREEK. FOR WATER QUALITY, WHEN YOU LOOK AT THE HABITAT ALONG WALLER CREEK, THE AQUATIC HABITAT, THE STATE OF THE CREEK, ITS DEGRADED NATURE AND THE LACK OF BASE FLOW, IT'S AMONG OUR WORST CREEKS IN TERMS OF WATER QUALITY DEGRADATION. SO COMBINING THOSE THREE MISSIONS IT'S OBVIOUSLY A PRIORITY FOR OUR DEPARTMENT, AND, IN FACT, MAYOR, WE ALWAYS TALK ABOUT THAT CAPITAL NEED WE HAVE TO FUND AFTER THE MASTER PLAN WAS ADOPTED OF 1.2 BILLION, AND, IN FACT, THE WALLER CREEK TUNNEL, CONSTRUCTION OF THE WALL YOUR CREEK TUNNEL, THE FUNDS WERE INCLUDED IN THE 1.2. SO I CAN TELL YOU THAT WE WERE VERY HAPPY TO SEE THE TIF DISTRICT BE SET UP TO HELP AUGMENT THOSE FUNDS AND ACTUALLY RELIEVE THE DRAINAGE UTILITY OF THAT BURDEN. SO, YOU KNOW, WHEN YOU CONSIDER THAT, WHETHER IT WAS THE O&M OR THE CAPITAL CONSTRUCTION COST OF THAT PROJECT, THAT WAS CLEARLY WITHIN THE PURVIEW IN OUR RADAR AS A WATERSHED PROTECTION DEPARTMENT.

MAYOR LEFFINGWELL: SO THAT TAKES YOU BACK DOWN TO ABOUT 800 MILLION DEFICIT.

I WISH IT TOOK US THAT LOW.

BUT THAT'S A GOOD CHUNK.

I ALSO WANT TO TALK ABOUT THIS PROJECT IN CONTEXT WITH OTHER PROJECTS. THERE'S NO DOUBT THIS IS A LARGE PROJECT. YOU LOOK AT A CAPITAL CONSTRUCTION COST OF JUST OVER 100 MILLION. WHEN YOU LOOK AT OTHER THINGS WE'VE DONE IN A SIMILAR VEIN, THE ONION CREEK BUY OUTS WHERE, AGAIN, THE ONION CREEK AREA WAS AMONG OUR HIGHEST RATED PROBLEM AREAS IN OUR WATERSHED PROTECTION MASTER PLAN. WE'RE ON OUR WAY TO SPENDING OVER 20 MILLION WITH A FULL PROJECT COST OF \$65 MILLION IN SOUTHEAST AUSTIN TO HELP THAT NEIGHBORHOOD. WHEN YOU LOOK AT THE CREEK BEND AND THE CRYSTAL PROJECTS BROOK, WE SPEND 20 MILLION, CRYSTAL IN NORTHEAST AUSTIN AND THE OTHER IN SOUTHEAST AUSTIN. EVEN FROM A WATER QUALITY STANDPOINT WE'VE SPEND OVER \$20 MILLION IN THE BARTON SPRINGS ZONE TO PRESERVE LAND, OUR WATER QUALITY PROTECTION ZONE LANDS. SO AGAIN, SPENDING \$100 MILLION ON WALLER CREEK, AGAIN, IS NOT OUT OF SYNC WITH SOME OF THE OTHER MAJOR INITIATIVES THAT WE'RE DOING. I THINK WHAT'S SPECIAL HERE IS THAT THE DRAINAGE UTILITY HAS THE LUXURY OF HAVING A TIF BEING FORMED TO HELP PAY FOR AT LEAST THE CAPITAL COSTS AND TO THAT WE'RE VERY THANKFUL. I KNOW THAT LESLIE IS GOING TO GIVE YOU A BIT MORE DETAILS ON THE FINANCING PLAN BUT I WANTED TO START OUT WITH LAYING THAT FOUNDATION FOR THE PROJECT.

THANK YOU. [ONE MOMENT, PLEASE, FOR CHANGE IN CAPTIONERS.]

THIS IS A GOOD START FOR THAT. AND HAVING AN IMPACT ON OUR WATERSHED PROTECTION IS CERTAINLY A WORTHY THING. BUT AGAIN I WILL HAVE SOME MORE TO ADD TOMORROW. ANYTHING ELSE?

COUNCIL MEMBER SPELLMAN?

BRIEFLY, MAYOR, JUST AS YOU HAVE SOME QUESTIONS ABOUT FINANCING OF THE PROJECT, I KNOW MEMBERS OF THE PUBLIC HAVE SOME QUESTIONS. SOME OF THOSE QUESTIONS I PASSED OFF TO YOU, LESLIE, AND MEMBERS OF YOUR STAFF. AND IF THE MAYOR WOULD PREFER TO HOLD THE DISCUSSION OF THE FINANCING UNTIL TOMORROW THAT'S FINE WITH ME. BUT I LOOK FORWARD TO HEARING YOU ADDRESS BOTH OUR QUESTIONS AND ALSO THE QUESTIONS THAT HAVE BEEN RAISED BY THE PUBLIC AS WELL.

WELL, IT'S MY PREFERENCE FOR ME, AND YOU'LL MAKE YOUR OWN PREFERENCE.

MAYOR LEFFINGWELL:

ANYTHING ELSE? DOES EVERYBODY UNDERSTAND HOW WE'RE GOING TO HANDLE THIS TOMORROW? WON'T COME UP UNTIL AT LEAST 4:00. AND FRANKLY, I'M GOING TO BE TRYING TO MAKE THAT AS CLOSE TO 4:00 AS POSSIBLE BECAUSE PART OF IT IS GOING TO BE CONVENIENCING OF THE WATER CREEK TIF BOARD, WHICH BY THEN I WILL BE A MEMBER OF AND WE'LL ALL BE MEMBERS OF DUE TO PREVIOUS ACTIONS. BUT THAT ALSO INCLUDES MEMBERS OUTSIDE THE CITY COUNCIL WHO WILL BE TRAVELING TO THE CITY TO ENTER IN THAT DISCUSSION. SO JUST AS A HEADS UP. MAY WANT TO INTERRUPT WHAT WE'RE DOING TO TAKE UP THESE ITEMS AT THE 4:00 TOMORROW. MAYOR PRO TEM? OH, YOU'RE JUST

ALL RIGHT. OTHER ITEMS? THANK YOU VERY MUCH.

MAYOR?

MAYOR PRO TEM.

I'VE JUST GOT A FEW ITEMS I WANTED TO ASK YOU GUYS ABOUT TO SEE IF MAYBE YOU CAN SHED SOME LIGHT. DOES ANYBODY KNOW ON ITEM NUMBER 8, I ASSUME THIS IS THE GREAT STREET PROJECT ON BRAZA STREET AND IT'S A PRETTY SUBSTANTIAL CHANGE ORDER.

THEY'RE GOING TO BE WORKING ON 15 YEAR PROJECTIONS OF NEEDS, STAFFING NEEDS AND SQUARE FOOTAGE GROWTH AND LAYING OUT SCENARIOS OF WHERE WE CAN GO. BRING THIS BACK TO COUNCIL AS POLICY DECISIONS. RIGHT NOW WE NEED TO GET TO THE POINT WHERE WE CAN GET SOLID SCENARIO PLANNING DONE. THAT NEEDS TO HAPPEN IN A VERY DATA INTENSIVE WAY. AND WE BELIEVE IT IS AN IMPORTANT TOOL. ONCE COMPLETED IT WILL HELP GIVE US NOT ONLY A NEEDS ASSESSMENT BUT A ROAD MAP TO HELP IMPLEMENT A LOT OF OTHER PLANS INCLUDING MAKING SURE IT'S SYNCED UP WITH THE OTHER MASTER PLANS THAT ARE BEING DONE IN THE CITY, THE PARKS ONE THAT'S BEING WORKED ON. SO WE FEEL IT'S AN IMPORTANT TOOL. AND WHILE WE WILL BE LOOKING AT THE CURRENT STATUS OF SOME OF OUR MORE PUBLIC FACILITIES, REC CENTERS AND LIBRARIES, WE'RE GOING TO DO CONDITION ASSESSMENTS OF THOSE, COLLECT SOME BASIC DATA ON THEM. AND WHETHER OR NOT THEY GET INTO SCENARIO PLANNING I THINK WAS SOMETHING THAT WE'LL WORK ON. ANOTHER KEY FACTOR FOR US OF GETTING THE STUDIES, WE KNOW WE HAVE SOME AGING FIRE STATIONS THAT WE'RE

REALLY NOT ABLE TO GET THEM AS PART OF THE PRIOR BOND ELECTION.

IN A CONCERTED, STRATEGIC WAY INSTEAD OF ON A STATION BY STATION PERFECTIVE OR BON A FLOOR BY FLOOR PERSPECTIVE AT ONE TEXAS CENTER OR ON A SERVICE YARD BY SERVICE YARD PERSPECTIVE. WE THINK WE NEED TO HAVE AN APPROACH TO THAT.

I THINK THAT'S RIGHT. AND THE FACT OF THE MATTER IS THAT WE MAKE FACILITY DECISIONS AND INVESTMENTS ALL THE TIME.

WHAT WE'RE TRYING TO ACCOMPLISH HERE IS LONG OVERDUE BECAUSE WE'VE BEEN MAKING THOSE DECISIONS IN A DISPARATE WAY, NOT UNDERSTANDING THE OVERALL CONTEXT IN WHICH IT MAKES CENSOR NOT FOR US TO DO THAT SO IT WILL HELP TO US DO THAT, TOO.

OKAY. AND THEN THE NEXT QUESTION IS ON THE SAME TOPIC. AND MAYOR, COULD YOU REMIND ME.

A FEW OF THEM YOU WERE ABLE TO DO. YOU'RE LOOKING AT ME STRANGELY.

IT'S BEGINNING TO SOUND LIKE A TECHNICAL QUESTION.

NO, IT ISN'T. YOU BROUGHT FORWARD OUR ABILITY TO CONSIDER WHETHER OR NOT A BUSINESS IS LOCAL IN A PROPOSAL. AND CERTAIN KINDS OF PROPOSALS. AND DO YOU KNOW IF IT'S ONE OF THOSE KINDS OF PROPOSALS?

I DON'T KNOW THE ANSWER TO THAT QUESTION IF THIS IS ONE OF THOSE KINDS OF QUESTIONS. BUT I THINK THAT THAT CITY POLICY ENTERS INTO WHETHER IT'S AN ITEM APPROVED BY COUNCIL OR SOME ITEM THAT JUST COMES UP ADMINISTRATIVELY. I THINK THAT POLICY FOR LOCAL NOT PREFERENCE BUT LOCAL RECOGNITION AND ADDITIONAL POINTS ON A SCORING MATRIX COMES INTO IT. IS THAT NOT CORRECT?

I'M SURE THAT KAREN'S HERE TO GIVE IT A LEGAL OPINION IN REGARDS TO THAT. FOR THE ISSUE AS WE UNDERSTAND IT THEN WE CAN'T HAVE A PREFERENCE FOR LOCAL, BUT AS THE MAYOR SAID, WE CAN HAVE FACTORS THAT WOULD LOOK AT WHETHER YOU ARER LOCAL AND YOU HAVE KNOWLEDGE OF THE LOCAL AREA, WHICH WOULD HELP THE LOCAL BUSINESSES TO DO THAT. BUT AGAIN, WE CANNOT JUST MAKE LOCAL AS OF RIGHT NOW.

THERE ARE SPECIFICS INVOLVED IN THAT. FOR EXAMPLE, WE CAN DO THAT WITH CONTRACTORS, WITH CONSTRUCTION OPERATIONS. WE CANNOT DO IT WITH PROFESSIONAL SERVICES, ENGINEERING, LEGAL SERVICES.

THAT'S CORRECT.

THIS IS PROFESSIONAL SERVICE, IS THAT RIGHT?

THIS IS A PROFESSIONAL SERVICE, YES.

OKAY. BECAUSE I WANTED TO POINT OUT IF YOU LOOK AT THE MATRIX, THERE WAS AN AUSTIN COMPANY THAT CAME IN SECOND. AND IT'S I THINK A MINNEAPOLIS COMPANY THAT'S BEING RECOMMENDED BY STAFF. AND SO I WONDERED IF LOCAL KNOWLEDGE WAS PART OF IT SEEMS LIKE LOCAL KNOWLEDGE COULD BE REALLY IMPORTANT IN THIS JOB

AND WHETHER OR NOT IT WAS TAKEN INTO ACCOUNT IN THE EVALUATION.

AND FOR THE RECORD, BY RON JOHNSON, PURCHASING OFFICER. YES, IN FACT IT WAS. AND THE COMPANY ACTUALLY THAT BOTH THE COMPANIES DID A REALLY GOOD JOB. THIS ONE DID A LOT OF WORK AS GREG MENTIONED WHERE IT ACTUALLY GOT ONLINE AND LOOKED AT A LOT OF THE COMPREHENSIVE PLANS, WHERE WE'VE GONE WITH IMAGINE AUSTIN AND ALL THAT. SO IT WAS A FACTOR THEY LOOKED AT. WHAT KNOWLEDGE DO YOU HAVE? WHAT DID YOU BRING TO THE TABLE TO DO THIS? THIS COMPANY HAS COMMITTED TO HAVE PEOPLE ON SITE TO BE ABLE TO DO THIS WORK, TO DO THIS. SO AGAIN, IT WAS A FACTOR THEY DID LOOK AT. THEY DID BRING A LOT MORE EXPERTISE IN THIS TYPE OF WORK FROM A NATIONAL LEVEL.

OKAY. I KNOW WITH ALL THE CONVERSATION GOING ON ABOUT WITH THE WORK OF THE TASK FORCE, THE SCHOOL DISTRICT HAD, ONE OF THE CONCERNS THAT WAS RAISED WAS THE KNOWLEDGE OF THEIR CONSULTANTS BEING FROM OHIO. NOT THAT I HAVE ANYTHING AGAINST OHIO BECAUSE I'M FROM OHIO. BUT A LONG TIME AGO. SO THAT'S WHY I'M FEELING A LITTLE SENSITIVE ABOUT THAT.

COUNCILMAN SPELLMAN?

JUST A FAST QUESTION. YOU MENTIONED A FEW MINUTES AGO THAT PRIMARY JOB OF THE CONSULTANT WILL BE TO DO THE NEEDS ASSESSMENT, LOOK AT THE ISSUES, DEVELOP THE SCENARIOS. TO WHAT EXTENT WILL IT BE THE CONSULTANT'S JOB TO

THAT COULD BE MOSTLY THEIR JOB OR OUR WORK?

I THINK WE'RE GOING TO LOOK AT A HYBRID SOLUTION THERE. SINCE THEY'RE STAFF, THEY'RE THE EXPERTS IN THIS FIELD AND THEY'RE COMING IN. WE PUT IN OUR CUE THAT THEY NEAT TO UNDERSTAND ALL THOSE ISSUES, NOT JUST OURS BUT WHAT'S GOING ON IN THE COMMUNITY, WITH A.S.D., WITH TRAVIS COUNTY, AT THE STATE, ANYTHING THAT'S IMPACTING THE STATE THAT THEY'RE AWARE OF THAT. SO THEY START PUTTING SCENARIOS TOGETHER FROM A SPACE ISSUE OF REAL ESTATE ISSUE THEY'RE AWARE OF THOSE. SO THEY WILL BE WORKING IN LEE AS ON WITH OUR PROJECT STAFF, WORKING WITH ALL THE APPROPRIATE STAFF THROUGHOUT THE CITY, IMAGINE AUSTIN STAFF AND THE CONSULTANTS TO MAKE SURE THAT SYNCING UP IS HAPPENING. ONE OF THE FIRST EFFORTS WHEN THEY COME IN THEY'RE GOING TO SIT DOWN AND TALK FROM A STAFF PERSPECTIVE, TALK TO SOME KEY STAFF MEMBERS, IN FACT ALL THE STAFF MEMBERS AND DO SURVEYS. BUT THAT IS IN THE FIRST FEW MONTHS IS TO SIT DOWN AND UNDERSTAND IMAGINE AUSTIN AND MAKE SURE THEY CAN GET THEIR HANDS AROUND IT.

TO THE EXTENT WHAT WE'RE TRYING TO ACCOMPLISH IS INTEGRATION ACROSS NOT ONLY ALL THE PLANS WE'VE GOT, I KNOW WE HAVE A LOT OF THEM, BUT TO THE EXTENT POSSIBLE WITH A.S.D., A.C.C., TRAVIS COUNTY, MAYBE THE STATE. THAT'S GOING TO REQUIRE COOPERATION FROM A BUNCH OF DIFFERENT GOVERNMENTAL AGENCIES. THAT'S ALSO PROBABLY GOING TO REQUIRE SOME DELAYS SO WE HAVE TO GO THROUGH SOME DOE LAYS BECAUSE THEY WON'T DELAYS BECAUSE THEY WON'T ALL HAVE THEIR PLANS READY TO GO. ARE WE CONCERNED THAT THIS IS GOING TO EXTEND THE NEED FOR THESE CONSULTANTS TO HELP US OUT BEYOND THE 12 MONTH PERIOD?

AT THIS TIME I DON'T THINK SO. GOING TO LOOK AT DURING THE COURSE OF THIS STUDY EFFORT LOOKING AT THERE'S GOING TO BE A SERIES OF DELIVERABLES. FIRST AND FOREMOST LOOKING AT THE DISCOVERY PHASE AND TRY TO GET SOME CORE DATA THERE. BUT AT THE SAME TIME WE'VE TALKED WITH THE CONSULTANTS ABOUT TRYING TO FIND EARLY ON. THERE'S GOING TO BE ACTIONABLE ITEMS, ITEMS THAT WE CAN ACT ON,

KNOWING THAT THERE'S FINANCIAL DECISIONS WE WOULD NEED TO COME BACK WITH. BUT WE ARE LOOKING THAT EVEN DURING THE COURSE OF THIS PROCESS, IF WE HAVE SOME ACTIONABLE ITEMS WE CAN BRING FORWARD, IF THERE'S SOMETHING GOING ON AT A LEVEL WITH A PARTNER THAT THERE'S AN OPPORTUNITY THAT ARISES RIGHT NOW OR DURING THE DURATION OF THIS STUDY, IF THERE'S A CHANCE TO LEVERAGE THAT OPPORTUNITY BEFORE THE STUDY FINAL REPORT IS DONE, THAT'S SOMETHING THAT WE WANT TO BRING FORWARD. SO THEIR CHARGE IS TO HAVE THEIR MINDS OPEN TO ALL OF THESE THINGS GOING AROUND TO THEM. AND IF WE I DON'T THINK WE'RE GOING TO LOOK AT HAVING TO EXTEND THAT CONTRACT BUT WE CERTAINLY ARE GOING TO KEEP REAL APPRISED OF THAT.

TO THE EXTENT THAT WE CAN FRONT LOSE STUFF WE'LL FRONT LOSE STUFF. WE'LL MAKE DECISIONS EARLY ON IF WE HAVE AN OPPORTUNITY. BUT YOU THINK WE'RE GOING TO BE ABLE TO GET THE COOPERATION WE NEED YOU THINK IMAGINE AUSTIN IS GOING TO BE AT THE POINT WITHIN THE NEXT 12 MONTHS THAT WE'LL BE ABLE TO INTEGRATE OUR FACILITY SCENARIOS WITH THE THE IMAGINE AUSTIN PLAN?

I BELIEVE THAT WE'LL HAVE ESPECIALLY BECAUSE OF THIS FIRST IMPORTANT DATA ANALYSIS PHASE WHERE WE'RE GOING TO GO OUT AND DO A LOT OF PROJECTIONS FROM A STAFFING PERSPECTIVE, REMEMBER, BASED ON NEEDS AND PRIOR HISTORY THAT I BELIEVE THAT WILL BE A GOOD INPUT INTO THE IMAGINE AUSTIN SO THEY CAN AT LEAST SEE THAT AND WE'LL HAVE TO CALIBRATE BACK AND FORTH ON THAT.

OKAY. AND SIMILARLY WITH THE TRAVIS COUNTY AND THE STATE AND SO ON, YOUR BEST GUESS IS THEY'RE AT THE POINT NOW OR WILL BE ABLE TO GET TO THE POINT WITHIN 12 MONTHS THAT THEIR PLANS WILL BE SUFFICIENTLY IN SHAPE THAT WE'LL BE ABLE TO INTEGRATE WITH THEM? WE'LL BE ABLE TO MAKE PRODUCTIVE DECISIONS AS TO SHARING FACILITIES, FOR EXAMPLE?

I WOULD SAY WHERE THOSE OPPORTUNITIES ARISE, KNOWING AGAIN WE'RE DEALING WITH MANY JURISDICTIONS, AND WE OBVIOUSLY CAN'T SIT HERE AND DICTATE THE PACE OF THEIR STUDY EFFORTS OR PLANNING EFFORTS. FOR EXAMPLE, TRAVIS COUNTY HAS COMPLETED THEIR FACILITY PLAN AND THEY'VE OBVIOUSLY BEEN ACTIVE IN ACTING ON THE RESULTS OF THEIR FACILITY STUDY THAT THEY COMPLETED. SO I WOULD SAY WHERE OPPORTUNITIES EXIST THAT WILL NOT CAUSE OUR EFFORT TO KIND OF COME TO A GRINDING HALT, WE ARE GOING TO LEVERAGE THOSE OPPORTUNITIES.

A.I.S.D. OF COURSE JUST GOT THROUGH TALKING ABOUT THEIR FACILITIES PLANNING PROCESS. AND I THINK IT SOUND LIKE IT'S A WORK IN PROGRESS. BUT THEY CERTAINLY GOT TO A POINT WHERE WE CAN TALK PRODUCTIVELY ABOUT WHAT WE CAN SHARE. THE STATE SEEMS TO BE THE POTENTIAL HOLDUP BECAUSE THEY ARE VERY MUCH IN A STATE OF FLUX ESPECIALLY WITH RESPECT TO THE EAST SIDE OF THE STATE CAPITOL COMPLEX. ARE THERE GOOD REASONS TO BELIEVE THAT THEY'RE GOING TO GET CLOSURE ON THOSE DECISIONS?

I DON'T KNOW THAT IN TERMS OF WHERE THEY ARE IN THE PROCESS. I'M AWARE OF THAT PROCESS. I WOULD SAY THAT AGAIN SINCE WHAT WE'RE GOING TO BE LOOKING AT IS OUR SCENARIO PLANNINGS, ONE OF THE SCENARIO PLANS, ONE OF THE EFFORTS THAT WE WILL WORK ON IS LAYING OUT IN ESSENCE AT LEAST PUTTING FORWARD THE CITY'S PERSPECTIVE ON WHAT CAN HAPPEN THERE AND OUR KIND OF OUR INPUT INTO THAT PROCESS. AND AGAIN, I THINK THIS STUDY EFFORT WILL HELP THAT. BECAUSE WE NEED TO HAVE OUR FACTS AND FIGURES AND DATA IN PLACE TO BE ABLE TO HAVE I THINK THOSE CONVERSATIONS WITH THE STATE. SO I THINK IT CAN WORK. BUT I THINK SUES IS A LOT

MORE FAMILIAR THAN I AM.

SUE EDWARDS, ASSISTANT CITY MANAGER. THE STATE IS LOOKING AT ISSUING A R.F.P. FOR THEIR FACILITIES MANAGEMENT AROUND AUGUST OF THIS YEAR. SO WE ARE JUST STARTING TO BEGIN TO WORK WITH THEM ON LOOKING AT THAT AND ASSISTING THEM WITH THAT. WHETHER THEY WILL BE THROUGH OR NOT I DON'T KNOW BECAUSE I DON'T KNOW HOW LONG THEY HAVEN'T HAD A RESPONSE YET TO HOW LONG THAT WILL BE. BUT I WOULD TELL YOU THAT WITHIN THIS NEXT MONTH YOU'RE GOING TO BE SEEING FROM GREG GURNSY IN THE PLANNING DEPARTMENT THE SECOND THE ENDING OF THE SECOND PHASE OF THE COMPREHENSIVE PLAN WHERE IT BEGINS TO LAY OUT WHAT THE STRUCTURE, THE MAJOR STRUCTURE IS. AND WE INTEND TO, WITHIN A 12 MONTH PERIOD, BE COMPLETE WITH THE COMPREHENSIVE PLAN IF EVERYTHING GOES WELL AS WE HAVE PLANNED. SO I THINK YOU WILL TO BEGIN TO SEE A BIGGER PICTURE AND A BROADER PICTURE OF HOW THOSE THINGS WILL LAY OUT EVENTUALLY.

THANK YOU.

MAYOR?

MAYOR PRO TEM.

SO I TOOK STRATEGIC TO MEAN SOMETHING TOTALLY DIFFERENT. WHAT YOU GUYS MEANT BY STRATEGIC IS YOU HAVE SELECTED SPECIFICALLY FACILITIES THAT WILL BE A PART OF THIS PLAN AND THIS AGENDA ITEM. IS THAT CORRECT?

ACTUALLY, WE ARE GOING TO ALL 250 FACILITIES ARE GOING TO BE INCLUDED. WE'RE GOING TO COLLECT DATA ON ALL THOSE FACILITIES FROM A KIND OF A BASIC CONDITION ASSESSMENT AS WELL AS STAFFING LEVELS. THAT'S GOING TO HELP US ON OUR ASSET MANAGEMENT SIDE. OUR MAIN FOCUS IS GOING TO BE FIRST AND FOREMOST IN ABOUT 30 TO 40 KEY FACILITIES WHICH HOUSE MOST OF OUR WORKFORCE. AND A LOT OF OUR SERVICE YARDS. IN ADDITION TO UP TO ABOUT 25 FIRE STATIONS TO START LOOKING AT DETAILED CONDITION ASSESSMENTS, SPACE PLANNING, REAL ESTATE ANALYSIS FOR ALL OF THOSE.

SO WHAT I WOULD LIKE TO ASK IF I COULD GET THIS BEFORE WE VOTE ON THIS TOMORROW IS WHAT 30 FACILITIES ARE IN THAT FIRST TIER, AND WHAT IF ANY CRITERIA WERE USED TO PUT THEM INTO THAT FIRST TIER.

WE CAN GET THAT TO YOU.

THANKS.

COUNCIL MEMBER COLE?

I JUST HAVE A QUICK QUESTION. I WOULD LIKE TO HAVE THAT SAME INFORMATION THE MAYOR PRO TEM ASKED FOR, AND IS THE DOWNTOWN POLICE STATION ONE OF THOSE ITEMS IN THE FIRST 30?

YES, IT IS. WE KNOW THAT

THAT'S ENOUGH.

I'M JUST KIDDING. GO AHEAD.

IT IS. WE KNOW WE'RE FACING SEVERAL CURRENT ISSUES THAT WE NEED TO DEAL WITH, FACILITIES THAT ARE FACING REDEVELOPMENT PRESSURES, HEADQUARTERS IS A PRIME EXAMPLE, SOME ISSUES THAT JUST OUT OF SPACE, ONE TEXAS CENTER IS FORCING US INTO LEASE SPACE. INSTEAD OF PLAYING THIS FOR LACK OF A BETTER WORD WE DON'T WANT TO MAKE INDIVIDUAL DECISIONS, WE NEED TO MAKE STRATEGIC DECISIONS ABOUT HOW TO SOLVE ALL THESE PROBLEMS. BECAUSE THEY ARE VERY MUCH INTERRELATED. SO THAT FACILITY IS IN THAT LIST. AND WE KNOW THAT WE RECOGNIZE THAT WE NEED TO FIND START WORKING ON SOLID SOLUTIONS FOR THAT.

OKAY. SO I THINK THE KEY ELEMENT IS WE'RE NOT FUNDING THE NO, EXECUTION OF ANY PARTICULAR THE NEGOTIATION EXECUTION OF ANY PARTICULAR PROJECT THAT WE INCLUDED IN THE STUDY WOULD COME BACK HERE FOR APPROVAL, CORRECT?

THIS STUDY WILL I THINK THE RESULTS OF THIS STUDY WE'RE GOING TO HAVE A NEEDS ASSESSMENT AND SCENARIO PLANNING THAT WE WOULD COME BACK TO COUNCIL. AND WHEN AND IF THERE ARE FINANCIAL DECISION AND STRATEGIC DECISIONS AND POLICY DECISIONS ABOUT WITH TO MAKE LOCATIONS, THIS STUDY IN ITSELF WILL NOT DRIVE AS PART OF THIS APPROVAL WE ARE NOT GOING TOUT OUT AND DOING ANY ACQUISITION OF LAND OR BUYING BUILDINGS OR GETTING OUT OF LEASE SPACES.

ISN'T THAT WHAT I JUST SAID SORT OF?

YES, SIR.

OKAY.

MAYOR?

YOUR ANSWER WAS A LOT MORE COMPREHENSIVE AND I APPRECIATE IT.

APPRECIATE THAT KIND LANGUAGE.

MAYOR LEFFINGWELL:

ANYTHING ELSE, COUNCIL MEMBER MORRISON?

I DO HAVE ONE CLARIFICATION. AM I RIGHT TO UNDERSTAND GET TO GO THE WORD "STRATEGIC" THAT WE'RE LOOKING AT A SHORTER HORIZON TIMELINE THAN THE IMAGINE AUSTIN? IS THAT RIGHT? DID I HEAR YOU SAY THIS IS LIKE A 10 OR 15 YEAR OR

15 YEARS.

OKAY. BECAUSE IMAGINE AUSTIN IS 30 YEARS. SO I GUESS THAT'S SORT OF PART OF WHAT WE'RE TALKING ABOUT HERE.

GIVEN THE NATURE OF REAL ESTATE AND TRYING TO DO PROJECTIONS ON STAFF WE THINK THAT'S AN APPROPRIATE TIME FRAME.

MAYOR, I DO HAVE A QUESTION ON NUMBER 43 IF WE'RE READY MOVE ON.

THIS IS A QUESTION FOR REALLY MY COLLEAGUES. ON THE SUBCOMMITTEE. THIS IS AN ITEM TO DO AN INTERLOCAL WITH A TEXAS DEPARTMENT OF TRANSPORTATION FOR DISADVANTAGED BUSINESS ENTERPRISE PROGRAM SERVICES. I GUESS WE'RE AGREEING TO WORK UNDER THEIR PROGRAM WHICH SOUNDS A LITTLE BIT LIKE OUR PROGRAM? AND JUST WANTED TO ASK HOW THAT ALL WORKED TOGETHER. ARE WE HAVING A SECOND PROGRAM? DOES IT REPLACE OUR FIRST OUR OWN PROGRAM?

THIS ACTUALLY HAS NOT COME BEFORE THE WVBVE COUNCIL SUBCOMMITTEE. BUT SABINA COMES BEFORE US QUITE OFTEN. THEY CAN PROBABLY SHED SOME LIGHT ON THIS.

SO I WONDER IF YOU COULD TALK A LITTLE BIT ABOUT HOW THIS INTERACTS, PLAYS WITH OUR OWN PROGRAM. DOES IT MEAN WE'RE REPLACING OURS OR DOING ONE ON TOP OF ANOTHER?

SABINA LOCAL. FOR THE USE OF THESE FUND WE WELL USE TxDOT LOCAL PROGRAM WHICH IS SIMILAR TO OURS. THEY ANTICIPATE IT WILL BE A SEAMLESS PROCESS.

SO IT'S ESSENTIALLY THE SAME PROGRAM WE ARE FOCUSED IN?

ESSENTIALLY.

THANK YOU, MAYOR PRO TEM.

YOU BET.

MAYOR PRO TEM?

ONE FINAL QUESTION ON THE MUD POLICY. AND I'VE SPOKEN TO A COUPLE OF YOU ABOUT IT. BUT I WANTED TO BRING IT TO THE REST OF COUNCIL MEMBERS WHO I HAVEN'T TALKED TO. SO LAST WEEK WHEN I WAS WATCHING BART DO THE PRESENTATION ON THE NEW MUD POLICY, I THINK THERE'S SOME GOOD STUFF IN THERE. I THINK OBVIOUSLY THE CONSENT AGREEMENT IS KEY. IT'S AN UNILATERAL

WHAT ITEM IS THAT?

ITEM 30 I BELIEVE, MAYOR. YES, ITEM PORALES IS THE MUD POLICY. ITEM 30 IS THE MUD POLICY. SO ONE OF THE THINGS THAT BART MENTIONED THAT IN THIS NEW MUD POLICY THERE ARE SOME THINGS THAT WE CURRENTLY DON'T HAVE WITHIN OUR ARSENAL TO CONTEMPLATE THAT WOULD HOPEFULLY MAKE IT A BETTER POLICY MOVING FORWARD. AND YOU SPOKE SPECIFICALLY ABOUT ANY NEW MUDS THAT WE AGREE TO ALLOW TO OCCUR IN THE E.T.J. THAT THEY WOULD HAVE TO SET A TAXING RATE THAT IS COMPARABLE TO WHAT OUR CURRENT TAX RATE IS, .42, 43, WHATEVER IT IS NOW. AND IT WOULD HAVE TO MAINTAIN WHATEVER RATE WE CONTINUE TO MOVE UP WITH OR STAY CLOSE TO IT. SO THAT AT SOME POINT WHEN WE CONTEMPLATE ANNEXATION THERE'S NOT THIS MAJOR STICK SHOCK I THINK IS THE TERM YOU USED FOR HOMEOWNERS WHO ARE NOW GOING TO BE ANNEXED AND HAVE TO START PAYING CITY OF AUSTIN PROPERTY TAXES.

YES, SIR, THAT'S CORRECT.

OKAY. SO WHAT OCCURRED TO ME INSTANTLY WAS YOU ALSO SAID THAT IN A MUD, DEBT SERVICES IS ON A BELL CURVE. SO IN YEAR ONE IT STARTS OUT AND THEN THE BELL GOES UP. AND THEN IN YEAR 20 IT DROPS OFF. BUT IF WE START AT DAY ONE AT .44 A.V.,

OBVIOUSLY IN THE FRONT OF THAT BELL AND ON THE BACK OF THAT BELL THERE'S A WHOLE LOT OF REVENUE THAT'S NOT BEING APPLIED TO DEBT SERVICE. WHERE IS THAT MONEY GOING AND WHAT CAN IT BE SPENT ON?

LET ME ANSWER IN TWO WAYS. FIRST, IT'S QUITE POSSIBLE AND PROBABLE THAT THE DISTRICT'S INITIAL TAX RATE IS GOING TO BE MUCH HIGHER THAN THE CITY'S. IT COULD BE LIKE \$1 PER HUNDRED A.V. SO THERE'LL BE A DIFFERENT SET BECAUSE OF THE AMOUNT OF DEBT WILL DRIVE THAT. IN TERMS OF ANSWERING YOUR QUESTION RELATED TO WHAT HAPPENS TO ANY EXCESS FUND THAT THEY HAVE, BASED UPON TAKING IN MORE REVENUE THAN THEY'RE HAVING TO PAY OUT, THE STATE LAW SETS ADDRESSES THAT ISSUE IN TERMS OF WHAT THEY CAN USE THOSE FUNDS FOR. SO THAT SETS THE PARAMETER AND THE GUIDE LINE. IN ADDITION, IN THE CONSENT AGREEMENT WE CAN HANDLE THAT IN DIFFERENT WAYS. FOR EXAMPLE, IN ANDERSON MILL MUD, THE CITY ALLOWED THEM TO USE EXCESS REVENUES TO ESSENTIALLY FUND A LIMITED DISTRICT THAT WOULD TAKE CARE OF PARKS. THE CITY'S INTEREST IN THAT IS SO THAT IF THE LIMITED DISTRICT IS THEN DISSOLVED AT SOME POINT IN TIME THE PARKS HAVE HAD AN ADEQUATE AMOUNT OF FUNDING TO BE ABLE TO BE MAINTAINED PROPERLY SO THAT THE CITY WHEN IT ASSUMES THOSE ASSETS WE COULD SPECIFY SOMETHING LIKE THAT INTO THE CONSENT AGREEMENT. OTHERWISE, WHAT ALSO THE STATUTE PROVIDES FOR IS THAT WHEN WE ANNEX, ANY EXCESS FUND WILL COME BACK TO THE WHEN THE DISTRICT IS DISSOLVED.

SO GIVE ME SOME EXAMPLES OF THE STATUTORY REQUIREMENTS THAT HAVE TO BE MET IN TERMS OF EXPENDITURES. WHAT CAN THEY SPEND ANY EXCESS FUND ON?

SO OPERATIONS AND MAINTENANCE, LAWFUL PURPOSES.

FOR PURPOSES OF THE DISTRICT ARE ENUMERATED FOR EACH DISTRICT. SO THE STATUTORY AUTHORIZATION FOR MUD INCLUDES FOR WATER WASTEWATER DRAINAGE AND SO ON AND INFRASTRUCTURE. AND IN ADDITION, DISTRICTS IN GENERAL HAVE AN ITEMIZED STATUTORY LIST OF THINGS THAT THEY CAN ALSO SPEND MONEY ON ASIDE FROM INFRASTRUCTURE. AND THAT DETAILED LIST INCLUDES INTEREST DURING CONSTRUCTION, REASONABLE AND NECESSARY RESERVE FUNDS, ATTORNEY AND BOND COUNCIL AND CONSULTANT FEES, PRESENTING COSTS, ANY KIND OF COSTS OF DOING BUSINESS, LEGITIMATE COSTS OF DOING BUSINESS BASICALLY ARE ITEMIZED ON THIS LIST. THOSE ARE LAWFUL PURPOSES THEY COULD SPEND THE MONEY ON. THEY COULDN'T SPEND IT TO GO TO VEGAS.

SURE. BUT A CONSULTANT CAN MAKE A LOT OF MONEY AND GO TO VEGAS.

AND THAT'S A STRETCH, OBVIOUSLY. SO WHEN YOU SAY THINGS LIKE YOU CAN SPEND EXCESS FUNDS ON CONSULTANT FEES TO DO LEGITIMATE BUSINESS, WHAT'S LEGITIMATE? AND CONSULTANTS ARE GOING TO THIS IN MY OPINION A CONSULTANT WOULD SEEM TO ENJOY A MUD THAT HAS EXCESS FUNDS AND WANT TO GIVE THEM CONSULTATION.

WELL, ONE THING THAT WE'VE BEEN IN DISCUSSION WITH THE DEVELOPER ATTORNEYS ABOUT IS THAT WE WOULD ONLY APPROVE THE CONSENT AGREEMENT THAT WOULD HAVE SOMETHING ARRANGED LIKE THIS IF WE HAD A LOT OF ADVANCE PLANNING ABOUT HOW THEY WOULD BE STRUCTURING THEIR DEBT TO THE EBB TENT THEY WOULD LEVELLIZE THEIR DEBT PAYMENTS TO MAKE SURE THEY HAD PROPER OPERATION AND MAINTENANCE AND SERVICE CONTRACTS THAT WERE THINGS THAT WE WOULD LOOK AT BEFORE WE WOULD EVER EVEN APPROVE THE CONSENT AGREEMENT. WE WOULD BRING ALL OF THOSE CONTENTS TO YOU.

GREAT. THANK YOU. APPRECIATE IT.

YOU'RE WELCOME. SO APPARENTLY THERE WOULD BE WAYS TO SAFEGUARD AGAINST THAT BY INCLUDING IN THE CONSENT AGREEMENT, FOR EXAMPLE, CONSULTANT FEES WOULD BE LIMITED AND NECESSARY AND REASONABLE AMOUNTS OR LANGUAGE TO THAT EFFECT?

CERTAINLY.

OKAY. ANYTHING ELSE? OTHER ITEMS. YES. COUNCIL MEMBER SHADE?

YEAH. I WAS WANTING TO ASK EITHER BILL OR CHRIS TO TELL ME ABOUT THE ITEMS THAT THEY'RE BRINGING FORWARD ABOUT THE SCOPE AND RESPONSIBILITIES OF THE ELECTRIC UTILITY COMMISSION? CAN YOU TELL ME WHAT IT IS AND WHY YOU'RE BRINGING IT FORWARD AND WHAT IT DOES? OKAY. WAYS JUST ASKING. I WANTED TO GET INFORMATION ABOUT NUMBER 47. WHAT IS IT? WHAT'S IT DO? IT'S THE ONE ABOUT THE ELECTRIC UTILITY COMMISSION. OH, SORRY.

I'VE GOT A COPY OF THE ITEM POSTING IN FRONT OF ME. I DO NOT HAVE A COPY OF THE TEXT OF THAT IN FRONT OF ME.

I HAVE IT RIGHT HERE?

WHAT'S THE ITEM NUMBER?

ITEM 47.

THERE HAVE BEEN OVER THE LAST FEW YEARS SEVERAL DISCUSSIONS AMONG MEMBERS OF THE ELECTRIC UTILITY COMMISSION ON THINGS WHICH ARE ON ITEMS OR CATEGORIES OF ITEMS WHICH ARE NOT SPECIFICALLY INCLUDED IN THEIR SCOPE OF WORK. INCLUDING FOR EXAMPLE THE BUDGET, STRATEGIC PLANNING AND REGULATORY COMPLIANCE. IF YOU'RE GOING TO HAVE AN ELECTRIC UTILITY COMMISSION WHICH IS GOING TO BE DOING WHAT WE WANT OUR BOARDS AND COMMISSIONS TO BE ABLE TO DO WITH RESPECT TO AUSTIN ENERGY, IT SEEMS AS THOUGH BUDGET REGULATORY AND COMPLIANCE STRATEGIC PLANNING OUGHT TO BE INCLUDED IN THAT. THAT'S WHAT WE KIND OF LIKE THEM TO TALK ABOUT. BUT THEY'RE FEELING UNCOMFORTABLE DISCUSSING THIS BECAUSE IT'S NOT SPECIFICALLY THE SCOPE OF THEIR WORK. SO THIS IS BROADENING THE SCOPE THAT IS REASONABLE AND GIVING THEM A CLEAR MESSAGE THIS IS INSIDE THE ENVELOPE.

OKAY. GREAT. AND THEN THE NEXT PART IS ABOUT SOMETHING THAT THEY SHALL DO VERSUS MAY DO. SO IS THAT BECAUSE THEY DON'T USUALLY HIRE THE CONSULTANT AND SO MAKE IT

IT GIVES THEM ADDITIONAL FLEXIBILITY. IT DOES NOT HAVE TO LIKE CLOCKWORK HAPPEN EVERY FIVE YEARS.

OKAY. GREAT. I SEE LARRY PATIENTLY WAITING HERE. IS THERE ANYTHING THAT YOU'D WANT TO ADD TO THAT? NO?

BILL, I WANTED TO ASK THE COSPONSORS, WAS THERE ANY CONTEMPLATION OF BRINGING THIS TO AUDIT AND FINANCE COMMITTEE SINCE THAT'S TRADITIONALLY WHERE WE MAKE ANY CHANGES TO BOARDS AND COMPETITIONS? WE TALKED BRIEFLY ABOUT IT. IT SEEMED

TO ME THIS WAS SUFFICIENTLY SMALL A CHANGE AND CERTAINLY NO CURRENT CHANGE ON PRACTICE ON THE COMMISSION, JUST A TRUEING UP OF THE LANGUAGE TO MAKE IT CLEAR AS TO WHAT OUR EXPECTATIONS ARE CHANGING, QUICKER FOR TO US GO THROUGH THIS ROUTE. IF YOU'D LIKE TO US GO THROUGH FINANCE PLEASE FEEL FREE TO POSTPONE IT AND SEND IT TO FINANCE.

NO, THAT'S FINE. I JUST WANTED TO I GUESS AN EXPLANATION OF WHY NOT.

I WAS THINKING THAT IF THIS WAS GOING TO REQUIRE A CHANGE IN PRACTICE THAT WE WOULD GO THROUGH AUDIT AND FINANCE AND HAVE IT THOROUGHLY VETTED. BUT SINCE THIS IS NOT A CHANGE IN PRACTICE, JUST MOVE IT THROUGH AS EXPEDITIOUSLY AS POSSIBLE.

ALSO I'D LIKE TO COMMENT THAT ELECTRIC UTILITY COMMISSION TO THE BEST OF MY KNOWLEDGE HAS NO SOVEREIGN AUTHORITY. STRICTLY AN ADVISORY BOARD, CORRECT? SO IT DOESN'T MATTER IF THEY MADE SOME SUGGESTION TO DO SOMETHING. IT WOULD ONLY BE A SUGGESTION THAT WOULD HAVE TO BE APPROVED BY COUNCIL. SO I DON'T HAVE ANY BIG HEARTBURN WITH IT.

ARE YOU ON THE MONEY ARE YOU ON THE MIKE?

WE HAVE ADVISED THE BOARD THAT IF THEY WANTED TO CHANGE THEIR MISSION STATEMENT THEY REALLY DO NEED TO GO THROUGH COUNCIL BECAUSE IT'S PART OF THE CODE. SO WHAT COMES TO ODD AND FINANCE ARE OTHER THINGS THAT ARE NON CODE RELATED. WE DEBATED BACK AND FORTH SINCE 2007 SHOULD WE GO THROUGH THE AUDIT AND FINANCE FIRST BECAUSE IT WOULD ULTIMATELY HAVE TO END UP WITH THE FULL COINS ANYWAY SIMPLY BECAUSE IT'S CODE LANGUAGE. SO WE MAY HAVE MISDIRECTED THE BOARDS IN THAT. WE HAVE TOLD THEM ALL IF YOU'RE GOING TO CHANGE YOUR MISSION STATEMENT, IF THAT'S YOUR REQUEST YOU CAN'T DO IT THROUGH THE BYLAWS PROCESS BECAUSE IT WOULD HAVE TO GO THROUGH COUNCIL FOR ACTION.

MAYOR, I JUST WANT TO MAKE A BRIEF COMMENT. AND I UNDERSTAND THE MAYOR PRO TEM'S POINT AND I USUALLY LIKE TO SEE EVERYTHING COME THROUGH COMMITTEE OR THAT HAS ANY KIND OF POTENTIAL FINANCIAL IMPACT.

YOU'RE NOT GOING TO LOSE THIS OPPORTUNITY.

NO. BUT I AM GOING TO LOSE THIS OPPORTUNITY. BECAUSE WE DO REQUIRE STAFF TO COME TO AUDIT AND FINANCE ON AUSTIN ENERGY ISSUES. AND IT NEVER SEEMS LIKE IT IS ENOUGH. AND WHAT THIS BRINGS TO MIND AND THE MAYOR PRO TEM'S COMMENTS IS THE FACT THAT WE NEVER INVITE THE UTILITY COMMISSION AND WE HEAR FROM THEM AND THEY WRITE US AND THEY WANT CERTAIN CHANGES. AND AS YOU SAID, THEY ARE ADVISORY. AND SO WE STILL AREN'T ACCOMPLISHING OUR GOAL IF WE DON'T GET THEM BOTH THERE TOGETHER. SO I WILL BE SUPPORTING THIS ITEM. I SIMPLY WANT TO PUT IT ON EVERYBODY'S MIND THAT AS WE BRING THESE ITEMS FORWARD LET'S THINK ABOUT INVITING THEM.

MAYOR?

COUNCIL MEMBER MORRISON?

I WANT TO REMIND EVERYBODY THAT I THINK IT WAS LAST WEEK WE ACTUALLY ADOPTED A CHANGE TO THE HUMAN RIGHTS COMMISSION MISSION WITHOUT GOING THROUGH AUDIT

AND FINANCE.

HOW DARE YOU.

MAYOR LEFFINGWELL:

I KNOW. SO YOU KNOW, IF FOLKS FEEL LIKE IT NEEDS TO I THINK IT WAS PRETTY CLEAR.

NO. AUSTIN ENERGY

AUSTIN ENERGY IS A SPECIAL SITUATION.

COUNCIL MEMBER SHADE? EXCUSE ME. ARE YOU THROUGH?

YES, I. A. THANK YOU.

I THINK THAT'S A GREAT POINT, CHERYL. AND IT REMIND ME TOO OF THE DISCUSSION WE HAD AT THE COUNCIL MEETING REGARDING THE COST ANALYSIS DISCUSSION WE HAD WITH RESPECT TO BOARDS AND COMMISSIONS AND THE BENEFITS ANALYSIS THAT WE TALKED ABOUT. AND REALLY I THINK WE NEED AS A GROUP TO SPEND A WHOLE LOT MORE TIME THINKING ABOUT HOW THE BOARDS AND COMMISSIONS ARE PROVIDING THAT ADVICE FOR US. IF THEY'RE NOT WHAT DO WE NEED TO DO TO MAKE SURE THAT THEY ARE? OR IF WE'RE NOT GOING TO EVER TAKE THEIR ADVICE THEN WHAT DOES THAT SAY? I THINK OBVIOUSLY STAFF IS SPENDING A TON OF TIME WITH THESE BOARDS AND COMMISSIONS. A LOT OF TIMES THE INFORMATION IS NOT FILTERING UP TO US. OR IF IT IS IT'S ON SORT OF AN AD HOC BASES AS YOU MENTIONED. SO GREAT POINT. I AM LOOKING FORWARD TO MORE DISCUSSION ON THAT TOPIC. I HAD ANOTHER ITEM THAT I WAS GOING TO ASK A QUESTION ABOUT. IS IT STILL MY TURN?

YES.

OKAY. I WANTED THE COSPONSORS, I GUESS COUNCIL MEMBER SPELMAN ON NUMBER 49, I WAS CURIOUS IF YOU COULD TELL ME ABOUT THIS RESOLUTION AND WHY IT'S IMPORTANT TO KIND OF EXPLAIN WHAT IT DOES THAT'S NOT ALREADY BEING DONE.

AND I WILL HAVE COMMENTS ON THAT ITEM, TOO. BUT GO AHEAD, COUNCIL MEMBER.

SURE. I BRIEFLY CONSIDERED I MAY AS WELL JUST DO IT. I CONSIDERED AND NOW THAT YOU'RE RAISING THE ISSUE I'LL PASS THAT OUT. SO MEMBERS OF THE PUBLIC HAVE AN INTEREST IN THIS ITEM AS YOU MAY RECALL.

YEAH. I'M HEARING FROM THEM.

TEXANS FOR ACCOUNTABLE GOVERNMENT AND SOME OF THEIR FRIENDS HAVE BEEN COMING BY EVERY FEW COUNCIL MEETING AN LETTING US KNOW HOW THEY FEEL ABOUT THIS. WHAT THEY'VE BEEN ASKING FOR IS WHAT SEEMS TO ME A SYMBOLIC GESTURE, PASSING A RESOLUTION SAYING WE'RE AGAINST IT. I DON'T THINK ANY VALUE WOULD BE GAINED BY SAYING WE THINK THAT BODY SCANNERS ARE A BAD IDEA, BECAUSE THE FEDERAL GOVERNMENT IS GOING TO DO WHAT THE FEDERAL GOVERNMENT FEELS IT NEED TO DO. BUT AS A FRIEND OF MINE WHO IS A LONG TIME DIPLOMAT USED TO SAY, A DIPLOMAT'S PRIMARY JOB IS TO HELP HIS OPPOSITE NUMBER GET BETTER INSTRUCTIONS. SO PERHAPS THEY CAN HELP HOMELAND SECURITY AND THE FEDERAL TRANSPORTATION

SECURITY ADMINISTRATION GET BETTER INSTRUCTIONS WITH RESPECT TO THIS ISSUE. THE IDEA HERE THEN IS INSTEAD OF BEING A SYMBOLIC GESTURE SAYING VERY UNCOMFORTABLE WITH BODY SCANNERS, DIRECTING OUR AUSTIN DELEGATION OF THE U.S. CONGRESS, MEANING CONGRESSMAN SMITH, DOING GET AND McCALL, TO ASKING FOR THEIR ASSISTANCE IN HELPING US WORK THROUGH WHAT THE HEALTH RISKS ARE AND ENSURING HEALTH RISKS ARE IN FACT

JUDGE CARTER ALSO.

BEG YOUR PARDON?

IS JUDGE CARTER ALSO IN THE TEXAS DELEGATION? MY APOLOGIES FOR LEAVING HIM OUT. ENSURING THAT PRIVACY RIGHTS ARE PROPERLY WELL CONTROLLED AND SO ON THE AND MAKING SURE WHEN T.S.A. DOES WHATEVER IT'S GOING TO DO TO MAKE SURE PEOPLE ARE SAFE WHEN THEY GET ON A PLANE WE'RE DOING IT IN SUCH A WAY THAT IS HAVING AS LITTLE EFFECT ON PEOPLE'S PRIVACY AND RIGHTS AS POSSIBLE. WHAT I'VE JUST HANDED OUT IS THE ORIGINAL TEXT OF THE RESOLUTION WHICH HAS BEEN MARKED UP BY OUR FRIENDS AT TEXANS FOR ACCOUNTABLE GOVERNMENT. THE CHANGES THAT ARE UNDERLINED ARE THEIR SUGGESTED ADDITIONS. THE THINGS WHICH ARE CROSSED OUT ARE THEIR SUGGESTED DELETIONS. AND ONE OF THE THINGS I BRIEFLY CONSIDERED EARLIER ON IN THIS AFTERNOON WAS HAVING YOUR ADVICE COLLECTIVELY AS TO HOW YOU THINK WE SHOULD DEAL WITH THIS DOCUMENT. I HAVE MY OWN SUGGESTIONS AS TO HOW WE OUGHT TO DEAL WITH THEIR MARKUP AND HOW THEY ANSWER ANY OTHER QUESTIONS YOU'VE GOT, WHAT IT IS WE'RE TRYING TO ACCOMPLISH WITH THE RESOLUTION. BUT IF YOU HAVE NO OBJECTION LET ME TELL YOU WHAT I THINK WE OUGHT TO DO. SOME OF THESE SUGGESTIONS ARE QUITE GOOD. IN PARTICULAR, BE IT RESOLVED 1 A, I HAD NEGLECTED IN THE ORIGINAL VERSION OF THE RESOLUTION TO ASK FOR ADDITIONAL INQUIRY WITH RESPECT TO THE HEALTH RISKS OF THE A.I.T. MACHINES, ENSURING THAT WE'VE GOT A FULL INDEPENDENT AND SCIENTIFIC INQUIRY INTO WHAT THE HEALTH RISKS ARE. I THINK IT'S A GOOD IDEA TO ADD THAT. AND I WILL UNLESS YOU TALK ME OUT OF IT BE COMING UP WITH COUNCIL MEMBER MORRISON WITH A SLIGHTLY REVISED VERSION OF THIS RESOLUTION WHICH INCORPORATES THAT CHANGE. A COUPLE OF THE WHEREAS'S AS WELL. I WILL NOT, HOWEVER, SUGGEST THAT WE INCORPORATE THEIR SUGGESTIONS ON PARTS TWO AND THREE. THEY ARE SUGGESTING IN PART 2 THAT WE SIMPLY OPPOSE INSTALLATION OF A.I.T. MACHINES IN CITY OWNED FACILITIES. I DON'T THINK THAT ANYTHING WOULD BE GAINED BY OUR OPPOSING. THE FEDERAL GOVERNMENT IS GOING TO DO WHAT THE FEDERAL GOVERNMENT IS GOING TO DO. I DON'T THINK IT'S GOING TO HELP US. I DON'T THINK IT'S GOING TO HURT US. I JUST DON'T THINK WE'RE GOING TO BE [INAUDIBLE] AND ON ITEM THREE, THEY ARE SUGGESTING THAT WE OPPOSE USE OF SECURITY MEASURES EFFECTIVE OR NOT THAT CREATE HEALTH RISKS AND VIOLATE CIVIL LIBERTIES. I DO NOT WANT PERSONALLY TO BE ON RECORD AS SAYING WE'RE GOING TO OPPOSE ANYTHING WHICH IS GOING TO REDUCE THE RISKS OF TERRORISM AND IS EFFECTIVE BECAUSE WE'RE WORRIED ABOUT SOMETHING ELSE. THIS IS NOT THE SORT OF EITHER/OR CHOICE THAT WE HAVE TO GET INTO RIGHT HERE. AND MY RECOMMENDATION WOULD BE THAT THIS NOT BE PART OF THE LANGUAGE THAT GOES INTO A RESOLUTION BEFORE THE COUNCIL. AND I WILL NOT BEING IT IN WHAT IT IS I'M ASKING YOU TO TAKE A LOOK AT TOMORROW. BUT IF YOU WOULD LIKE TO TALK ME INTO IT, PLEASE FEEL FREE.

SO IF I UNDERSTAND WHAT YOU'RE GOING TO BE BRINGING FORWARD IS THIS MARKUP WITHOUT ACCEPTING THE NUMBER 2 SUGGESTION. BUT OTHERWISE THE WHEREASES THAT THEY'VE SUGGESTED?

NO. IT'S A LITTLE MORE COMPLICATED THAN THAT. I HAVEN'T TALKED ABOUT THE

WHEREASES. A COUPLE OF THE WHEREASES I VERY MUCH FAVOR. WHEREAS IN U.S. VERSUS GUESS THE U.S. SUPREME COURT ACKNOWLEDGED? I THINK THAT'S A GOOD IDEA. I HADN'T MENTIONED THE CONSTITUTIONAL RIGHT TO TRAVEL IT'S PROBABLY A GOOD THING TO MENTION THAT WHEREAS. THE LAST ONE THE COUNCIL SUPPORTS THE NEED TO SCREEN PASSENGERS TO THE BEST SECURITY LEGALLY AND REASONABLY POSSIBLE. I THINK THAT'S A GOOD THING TO REMIND PEOPLE WE SUPPORT THE SAFETY OF AUSTIN PASSENGERS. AND THAT'S AN IMPORTANT PART OF WHY WE NEED TO BE INVOLVED IN THIS DECISION. BUT THE REST OF THESE WHEREASES I THINK ARE RAISING ISSUES THAT HAVE ALREADY BEEN RAISED AND DO NOT ADD ANY VALUE TO THIS RESOLUTION.

SO AS FAR AS THE ACTUAL ACTION THAT IS ACCOMPLISHED FROM THIS RESOLUTION, THEN, WE'RE ASKING THE CITY MANAGER TO COMMUNICATE WITH THE MEMBERS OF THE AUSTIN DELEGATION TO REQUEST THEIR ASSISTANCE IN THESE ITEMS, THEN I GUESS I WOULD ASK, SO HAVE WE TALKED TO OUR CONGRESSIONAL DELEGATION AND THEIR STAFFS ABOUT THIS? NO?

NO.

NO?

THE MEANS BY WHICH THIS WOULD I'M GUESSING I'M CHANNELING MY INNER CITY MANAGER HERE AND DOUBLE DARING HIM TO SHOW ME I'M WRONG, WHICH HE MAY VERY WELL. BUT MY BEST GUESS IS THE MEANS BY WHICH THIS COMMUNICATION WOULD TAKE PLACE WOULD BE THROUGH OUR LOBBYING TEAM. WE HAVE A FINE LOBBYING TEAM IN WASHINGTON. AND BY TALKING TO OUR LOBBYING TEAM, THAT WOULD BE THE CONDUIT FOR GETTING WITH OTHER DELEGATION TO GET THEIR ASSISTANCE IN MAKING SURE THIS HAPPENS.

YEAH, THAT'S KIND OF WHAT I WAS GUESSING. I'LL LET THE CITY MANAGER SPEAK TO IT IN A MINUTE. BUT WE GO THROUGH A FAIRLY PROCESS WHEN WE'RE ADDING THINGS TO OUR LEGISLATIVE AGENDA WITH OUR LOBBY TEAM. AND THIS ONE I DON'T KNOW HOW IT FITS INTO THE OVERARCHING SCHEME OF OUR LOBBY PACKAGE THAT WE WENT THROUGH A PROCESS OF APPROVING A LITTLE WHILE AGO. SO I GUESS I'D BE CURIOUS HOW DOES THAT FACTOR INTO THE PLANNING AND WHAT DOES OUR LEGISLATIVE TEAM THINK ABOUT THIS.

WELL, THOSE ARE ALL GOOD QUESTIONS. OBVIOUSLY I MEAN IF COUNCIL WERE SO INCLINED WITH RESPECT TO THIS RESOLUTION THAT IS THE VEHICLE THAT WE WOULD USE. OBVIOUSLY OUR DELEGATION IN D.C. I SUSPECT AND IF JOHN HUNT IS LISTENING SOMEPLACE, THAT IN TERMS OF A LEGISLATIVE AGENDA WHETHER IT'S AT THE FEDERAL OR STATE LEVEL, YOU KIND OF VIEWS ALL THINGS AS BEING CONNECTED.

BECAUSE YOU ONLY GET SO MANY ASKS.

YOU ONLY GET SO MANY. SO ON AND SO FORTH. SO THAT'S A GOOD QUESTION IN TERMS OF ASKING WHAT DO THEY THINK ABOUT IT. I DON'T KNOW THE ANSWER TO THAT. BUT THAT'S THE FIRST PLACE TO BEGIN. AND WE'LL HAVE HIM PERHAPS PREPARED TO ANSWER THAT IF YOU'D LIKE BEFORE YOU MAKE YOUR DECISION TOMORROW. THAT.

THAT WOULD BE HELPFUL.

I SHOULD MENTION WE'VE BEEN IN ONGOING DISCUSSIONS WITH AT LEAST ONE OF OUR DELEGATION MEMBERS, CONGRESS DOGGETT, WHO SUGGESTED THIS AS BEING A MEANS

BY WHICH WE ENGAGE THE ASSISTANCE OF OUR DELEGATION.

I GUESS ANOTHER OPTION WOULD BE PASS A RESOLUTION STATING THE CITY COUNCIL'S OPINION, AND THEN OUR CONGRESSIONAL DELEGATION WOULD KNOW THAT THAT'S THE OPINION OR NOT. I MEAN, AS OPPOSED TO TAKING THEM OFF THE TASK THAT WE WENT THROUGH A PROCESS OF SELECTING. IT MAY NOT BE AS

I THINK THAT'S TRUE. BECAUSE ONE OF THE AVENUES THAT STRUCK ME WHEN I READ THIS IS THAT YOU COULD SIMPLY USE A RESOLUTION AND CONSTRUCT A LETTER OR CONSTRUCT A LETTER AND ATTACH THE RESOLUTION AND SEND IT TO THE DELEGATION.

IT'S MAKING A STATEMENT WHICH IS THE SYMBOLIC GESTURE THAT YOU'RE TALKING ABOUT BUT WITHOUT REDIRECTING OR CHANGING THE ENTIRE BALANCE I MEAN, AGAIN, THE WORD THAT CITY MANAGER USES "CHIP" BUT I KNOW THAT WHEN YOU'RE A LOBBY TEAM AND YOU'RE YOU'VE GOT YOUR AGENDA. I DON'T KNOW IF THIS DETRACTS FROM SOME OF THE THINGS THAT MAY BE MORE IMPORTANT MESSAGES THAT I WANT MY LOBBY TEAM TO BE FOCUSED ON, OR IF IT TAKES AWAY FROM SOMETHING THAT'S ALREADY ON THEIR I DON'T EVEN KNOW HOW THIS FIT INTO THE WHOLE THING. JOHN, YOU CAN TELL ME THAT, I GUESS. BUT THAT'S MY CONCERN.

ADDING THINGS CAN CERTAINLY BE DONE. OBVIOUSLY THE LONGER THE LIST, YOU DO DILUTE EFFECTIVENESS A LITTLE BIT. BUT YOU'RE NOT ASKING THEM TO COMPLETELY CHANGE FEDERAL LEGISLATION. YOU'RE ASKING THEM, AS I UNDERSTAND IT, TO MAKE SURE THAT WHAT THEY'RE DOING PROVIDES CERTAINLY PROTECTIONS. SO I THINK RELAYING THAT THROUGH THEIR STAFF IS PROBABLY THE WAY TO DO IT. AND WE CAN DO IT EITHER USING THE LOBBY TEAM OR EVEN THROUGH COMBINATION OF PHONE CALLS AND GETTING THE RESOLUTIONS TO THEM. THERE ARE SEVERAL DIFFERENT WAYS WE COULD DO IT. TYPICALLY WHAT I DO FOR EACH OF THESIS DISCUSS IT WITH OUR LOBBYIST TO SEE WHAT IS THE MOST EFFECTIVE WAY. NOT JUST FOR THAT ITEM BUT FOR THE WHOLE PROGRAM.

RIGHT. AND THEY GET HOW MUCH PER HOUR?

THEY GET A LOT PER HOUR.

YEAH.

SO THAT'S MY POINT IS THAT IF WE'RE MAKING A SYMBOLIC GESTURE, THERE'S A WAY TO MAKE THAT POINT. BUT FOR ME TO HAVE YOU AND HOWEVER MANY OTHER OF YOUR LEGAL TEAM SPEND TIME WITH OUR LOBBYISTS DISCUSSING WHAT'S THE RIGHT STRATEGY TO MAKE THAT MESSAGE GET EFFECTIVE, I MEAN, I HAVE CONCERNS ON PURELY SYMBOLIC ISSUES. AND THAT'S WHAT I WAS TRYING TO GET AT.

THE OTHER THING THAT WE CAN DO, AND COUNCIL CAN MAKE IT CLEAR THROUGH A DISCUSSION LIKE THIS, IS SIMPLY SEND THE RESOLUTION TO THEM. AND I CAN NOTIFY THEM THAT THIS IS COMING AND WE CAN FAX IT TO THEM AND LET THEM LOOK AT IT.

CAN I WEIGH IN ON THIS?

THANK YOU. YEAH. I'M SORRY. IT'S YOUR MEETING.

I'VE JUST BEEN ITCHING TO WEIGH IN ON THIS. FIRST OF ALL, I AGREE WITH THE CONCEPT ABOUT DIVERSION OF OUR RESOURCES, OUR LOBBYING RESOURCES. SOME OF YOU ARE

PROBABLY AWARE THAT AT THE FEDERAL LEVEL WE BASICALLY HAVE MINIMAL LOBBYING RESOURCES. WE HAVE ONE LOBBYIST WHO KIND OF HANDLES GENERAL THINGS, AND ONE WHO IS ALMOST WHO IS ALMOST EXCLUSIVELY DEVOTED TO TRANSPORTATION ISSUES THAT HAVE TO DO WITH NON AVIATION THINGS, LIKE THINGS LIKE TRAINS AND ROADS. SO I'M CONCERNED ABOUT THAT, OBVIOUSLY. BUT IN ADDITION THERE'S THE FACT THAT WE THE CITY HAS NO REAL PURVIEW OVER THIS ISSUE. OF MACHINES ARE USED TO EFFECT THE NEEDED LEVEL OF SECURITY IS MADE BY THE T.S.A. THE T.S.A. A THEY'RE A TENANT AT THE AIRPORT. THEY PAY THE CITY FOR SPACE THAT THEY USE. BUT THEY MAKE ALL THE DECISIONS. THE CITY IS NOT INVOLVED IN THIS. SO I THINK WE DO FURNISH THEM WITH ELECTRICITY. WE MAY BE FURNISHING THAT PART OF IT. BUT THAT'S ABOUT IT. I REALIZE THAT THE RESOLUTION ITSELF SEEMS, IF YOU PARSE IT OUT IT SEEMS FAIRLY INNOCUOUS. BUT STILL I DON'T THINK YOU CAN READ THIS RESOLUTION, ESPECIALLY ALL THE WHEREASES, AND COME AWAY WITH A SENSE THAT THE CITY OF AUSTIN DOES NOT OPPOSE. YOU HAVE TO COME AWAY WITH THE SENSE THAT THE CITY COUNCIL DOES OPPOSE THESE PARTICULAR SECURITY MEASURES. SO I'M VERY CONCERNED ABOUT THAT. I'M VERY CONCERNED ABOUT THE CITY'S NAME SHOWING UP ON A LIST OF CITIES THAT HAVE EXPRESSED CONCERNS OR OPPOSITION OR FURTHER STUDIES OR WHATEVER IT MIGHT BE FOR WHAT IS ESSENTIALLY A MAINLY SECURITY ISSUE A MAJOR SECURITY ISSUE. I WAS AN AIRLINE PILOT FOR 30 YEARS. I KNOW HOW SECURITY HAS EVOLVED OVER THAT TIME. I KNOW IT'S A PAIN IN THE NECK. I DON'T LIKE IT MORE THAN ANYBODY ELSE. BUT AT THE SAME TIME THERE ARE SIGNIFICANT THREATS, AND WE HAVE TO WE HAVE TO BE IN A POSITION TO TAKE WHATEVER MEASURES OR ARE SUGGESTED BY THE AUTHORITY IN THAT, THAT WOULD BE THE T.S.A., TO ACCOMPLISH THEIR MISSION. IN THE CASE OF THESE A.I.T. MACHINES, THAT'S A CONSTANTLY EVOLVING THING. RIGHT NOW WE DON'T HAVE ANY OF THOSE. JUST BECAUSE THEY HAVEN'T BEEN INSTALLED BY THE T.S.A. IT'S VERY LIKELY THAT BY THE TIME WE DO HAVE THOSE INSTALLED THEY WILL BE A DIFFERENT ANIMAL ENTIRELY, SIMILAR TO WHAT USING IN EUROPE RIGHT NOW WHICH WOULD BE WHEN YOU LOOK AT THE SCREEN ALL YOU CAN SEE IS A STICK FIGURE WITH NO RECOGNIZABLE FEATURES. BUT I CERTAINLY, GIVEN MY BACKGROUND AND PERSPECTIVE, I THINK THIS IS A SERIOUS BUSINESS. AND I DON'T THINK I PERSONALLY WANT TO GO ON RECORD AS SAYING THAT I'M GOING TO RAISE CONCERNS ABOUT AN ISSUE WITH REGARD TO AIR TRAVEL AND SAFETY. I THINK A LOT OF PEOPLE OUT THERE IN THE PUBLIC ARE CONCERNED ABOUT SAFETY. I KNOW I AM. FINALLY, I THINK IT HAS THE POTENTIAL TO EFFECT FIRST OF ALL THE AIRPORT DEPENDS HEAVILY ON GRANTS FROM THE F.A.A. TO DO THE THINGS THAT THEY NEED TO DO. THEY ALSO SUPPLEMENT THEIR FUNDS. THEY DON'T USE ANY TAXPAYER MONEY, BY THE WAY, BUT THEY SUPPLEMENT THEIR FUNDING WITH PARKING FEES, WITH AIRLINE LANDING FEES, WITH GATE FEES, WITH FRANCHISE FEES FOR VENDORS THAT MAY BE IN THE AIRPORT. BUT A LARGE PART OF IT, ESPECIALLY FOR CAPITAL IMPROVEMENTS, COMES FROM FEDERAL GRANTS. I BELIEVE THAT THIS WOULD THROW A CLOUD AND POSSIBLY IMPAIR OUR ABILITY TO SECURE THESE GRANTS AND WOULD BE A HINDRANCE TO IMPROVEMENTS IN THE AIRPORT THAT WE MIGHT NEED, REGARDLESS OF HOW INNOCUOUS IT MAY SEEM. SO I JUST HAVE VERY SERIOUS CONCERNS ABOUT IT.

But speaking specifically now to the resolution, I think it's it's very risky and potentially poor policy to adopt something with such subjective language in the required section of the resolution. So literally, under the resolve, under section 1, it's it's part A, the subjective terminology is health risks, what's a risk for some may not be a risk to others. Who determines those risks. Under part B, conclusive security benefits. What's conclusive and a benefit to one may not be to another. Under section C, enhanced security benefits and again the term risks to ABIA passengers. But those are major subjectivity components to this language. And then when you get to section 2, it says if you don't do AB and C from section 1, we will oppose any AIT machines at city owned properties. I don't even think that we can do that. I don't think we can legally oppose any of this. And that so the resolution not only puts us in a position to try to vote on something that we clearly can't do. We didn't stop TSA from implementing security measures on city property, which is ABIA, but a secondly this specifically says until AB and C

are satisfactorily met we will oppose them. That to me is a concern.

Mayor Leffingwell: Excel.

Spelman: I agree completely with what you just said. I may not have been clear a few moments ago with what this represents. Ed underlying language that you objected to strenuously I object to as strenuously as you do and will not be proposing that the city council pass that. This came from Texans for accountable government. The part of this which is not underlined was the original text of the resolution, once small section of these resolves I agree with. That's the part 1 A. I respectfully disagree, mayor pro tem, with the health risks, they may not be the same for everybody, but I think we have to be cognizant of the health risks for all of our citizens, whether they are affected by these machines or not. But your objections to 1 B, 1 C, 2 and 3 I agree with completely and do not believe that that should be part of the resolution that the city council could pass. It's subjective and particularly 2 puts us in the dangerous position of suggesting we're going to oppose this for the foreseeable future whatever effect this may or may not have on the threat of terrorism. I'm not in favor or suggesting that. It was probably a tactical error for me to mention the Texans for responsible government version of that, that was what I had in front of me when it got raised by Councilmember Shade a few moments ago. I'm asking that we be sure that somebody out there someplace is doing the inquiry on the health risks necessary so that we can in good faith go back to our citizens and say your health the nobody be risked if you go through one of these machines or do a Pat down instead. It's not going to hurt you to do that. And we have asked reasonable questions. I think it's a reasonable question that these things will in fact reduce the threat of terrorism. I understand that this some people may be concerned, it's going to put us on some sort of a black list for grants, I think it's a reasonable question which reasonable people ought to be able to ask. If the F.A.A. decides that we will not somehow get a grant as a result of asking a reasonable question I think that's just wrong.

Mayor?

Mayor Leffingwell: Well, let me say in response to that, Councilmember, it's not the specific wording and parsing of the resolution that concerns me, it's the impression that it leaves with whoever might read it, the sound bite that will come out of it. Whatever list we might appear on. And as for asking the question, sure, ask the question. I think that you have already asked the question. Of of one particular Councilmember congressman. That is entirely appropriate. Ask all of the rest of them. But I just I'm very uncomfortable with the idea of putting a resolution approved by the Austin City Council out there that suggests that that we that we oppose some measure that would be implemented by the TSA that would enhance flight safety. I think we don't have the expertise to do that, we have to depend on them. If congress wants to intervene, that's something else. But I don't think it would be appropriate from my perspective for the City to.

Spelman: Mayor just to be clear, the text of the original resolution and any changes in the resolution that I'm likely to make between now and tomorrow will not put us on record as opposing anything. The only thing that I would be asking you to do is to very politely request our delegation to help us in getting some further information so we can get back to our own constituents and reassure them that this is not going to be invading their privacy or putting them at some health risk that they are not aware of.

Mayor Leffingwell: I'm not only concerned about the resolves, I'm also concerned about a lot of the whereases, too, the statements that are contained in there. I have expressed my opinion. I'm one opinion out of seven, so Councilmember Cole?

Cole: I really am want to nail the question about whether or not this this impacts our grant. So so can I ask the City manager to to give us that answer tomorrow. That is that is to me really crucial or if you know it off the top of yeah, Jim I think would know.

We will engage Jim. I think that John will want to participate in that as well. It's a hard call to make, quite

frankly, to know whether or not it will impact our ability to get the future grants. It may. That goes back to my comments earlier with respect to legislative matters and regulatory agencies, sometimes you have to be mindful of how things are connected to each other. We'll look to try to find an answer to that question.

Cole: Okay. I just want to know if he's really concerned, kind of concerned. Especially the question as councilmember spelman has laid out that he plans to bring it as opposed to what this currently says right now.

John, do you we're going to talk to Jim tomorrow or tonight maybe even. Do you have a perspective about that? As you sit there? And think about this? It depends on the type of grant, whether it's formula driven, if it's a discretionary grant by the agency. If it's formally driven, unless you specifically disqualify yourself you're going to get the funding. But in a lot of cases it's discretionary or the priorities within the agency and it's hard to know what goes into the decision making of an agency. At the top of the head of it is pointed by the president so there's a party span at the very top. But typically it's made by professionals within the agency. It's hard to know what all they look at in all cases.

Mayor Leffingwell: Let me say I didn't come up with that statement in out of the air. It's going to be anybody's going to be an opinion regardless of who says it, it's going to be an opinion. There's no rule about it. But I would say for me why even take the risk of that? For no good purpose as far as I'm concerned.

Shade: I think that I would also be interesting, Jim can probably speak to this, but to Sheryl's point earlier about the boards and commissions and I think this was something that maybe there was an advisory board discussion about. I definitely talked to the person, one of the members of that board to find out his opinion. I don't know if others have done the same. But, you know, as I think councilmember spelman said at the outset, this is symbolic primarily of resolution and I understand the importance of elected officials in the role that we play making symbolic statements. But it's no, it's not symbolic? Okay.

Spelman: The whole point was so that it would not be purely symbolic but actually accomplish something of

Our delegation is not asking any of these questions because that's what they're elected to do. We're elected to focus on what we're elected to focus on. TSA and Homeland Security is what they're doing. So are we saying they are not asking any of these questions by asking

Spelman: One way of framing this is we're asking them if you haven't been asking these questions please ask them.

If you have been asking these questions, lease let us know what the answers are that you've got.

Shade: All right. I'll look forward to more discussion tomorrow.

Cole: I want to add one other thing to the extent that some of us believe this is symbolic. We pass symbolic resolutions all the time. They always kind of take me aback. I mean, ever since I've been on council because we don't have any authority but we want to make a statement because we think that it's political. I think it's really something that we're having this discussion because if we land with the idea that it is symbolic, then we need to make a decision or think about the fact that the next time a symbolic resolution comes forward, whether we really want to do that. So I mean

Mayor Leffingwell: I'll stand to be corrected. I don't really remember a lot of symbolic resolutions since I've been on the council, since 2005. I know of one that I sponsored. That was the resolution with regard to support of the U.S. conference of mayor's resolution about universal health care. And so so it was a

departure from what I like to do, but it was an issue and I wasn't asking for any advice from anybody about not the entire council, but a 6 0 1 with one abstention as I recall. In fact I'm pretty sure that's what the vote was. To my knowledge, I don't think there have been any other symbolic totally out of purview resolutions.

Cole: The one that I'm recalling is the one that we passed very quickly, I think rightly so, I fully supported it, but it was the resolution basically condemning Arizona's immigration policy. We have absolutely no authority over that state. We have no authority over the federal policy implementing that. We didn't say we're going to create a task force or join with our delegation and deal with Texas' what word do I want to use? Offensive, challenging immigration policy. Lots of opportunities for improvement. We just went after them. I'm not saying we should revisit or any of that, I voted for it quickly, too. All of us did. Similar things come up. I think we need to sometime weigh that or either just support them if we agree with them or not.

Mayor Leffingwell: Certainly like I said. I have one opinion, six others around this table.

Martinez: I have one, too.

Cole: Was I a sponsor?

Martinez: No, no. [laughter] I agree with you. We pass we have passed resolutions on the patriot act, on the

Cole: Exactly.

Martinez: Universal health care, immigration issues. Here's it is substantive difference. That is we simply made a statement as a council that we're opposed to it. If that's what we're doing here, then put it up and let's vote on it. But to me it's nonsensical that we as a body are going to vote to ask our congressional delegation are you asking TSA these questions.

Cole: I was just bringing up a different issue. Your point is to this resolution, okay.

Mayor Leffingwell: Any more comments on this subject, which turned out to be a little longer than anybody anticipated I think.

Cole: It was a lot of fun.

Shade: I think a good ask you. I have another item. Thank you, John. I think as we're trying to figure out sort of how these work sessions are going to work, I think that was a good conversation really interesting and one that that, you know, that I think that we need to have. I was going to ask because I think the EGRS staff has all been here the whole day. I guess that I will ask a couple of questions, we have a number of items related to some new chamber contracts. So I thought that I would ask there's not a whole lot in the backup. But I guess that I'm curious about what percentage of the budget for these organizations, these contracts represent? I'm curious about that.

Kevin Johns, director of economic growth and redevelopment services. The greater Austin chamber, greater Austin Hispanic Chamber of Commerce, the percent of the budget of their overall budget that city funds is 21%. The percentage of the capital city

Shade: That includes the new contract that you are presenting?

yes. The capital city African American chamber of commerce 67%. The Austin Asian american chamber

of commerce, 71%. The Texas Asian chamber of commerce, 50%. And the Austin gay and lesbian chamber of commerce, 50%.

Shade: Okay. And can you tell me about the difference in deliverables and sort of how you came to that? What are these deliverables, how were those vetted? ?

I'll tell you first what the deliverables are. First thing that we've asked as a performance measure for all of the chambers of commerce is that they develop a business plan, a strategic plan, do a spot analysis and tell us what it is that they can do, what it is they intend to do, what kind of benchmarks they're going to use. How they're going to raise money. And then we'll review that internally and set benchmarks. So for the first year we're asking them to have a strategic plan, a business plan that we work with them how many.

Shade: How many years have you been funding I'll use the capital city African American chamber of commerce, so as an example because it's the first one on my list. We've been funding them for

I can't answer that. I can say that I've been funding the performance measures, this is their first year, where we've set these performance measures.

Shade: But that's from the previous contract. The new deliverable is something in other words we've been funding groups that haven't had a strategic plan or haven't had a haven't haven't had a business plan that we've I mean we've been funding them for what we're adding in some cases double knowledge the amount that they were double knowledge the amount that they are getting from before. I know a little bit about that, we have good histories, they do good, important work, just curious about adding this as a new deliverable.

I would have expected that to have already been something

I believe they probably had business plans, but we're asking them to do specific things as of 2010, 2011, 2012 to get them defeat up to create jobs to create our revitalization, to help work with the minority populations from the small business perspective and also from trade. China is now the second largest economy in the world. So we're asking the Asian chamber of commerce to do an evaluation of what their connections are in in Asian countries. We're doing the same anything for the Hispanic chamber with respect to Brazil, one of the fastest growing economies in America. We're doing the same thing for the Austin Asian chamber of commerce which is focusing on India. We have changed their performance measures to I think collect more creating jobs, more of creating creating revitalization, more of creating trade, more of creating taxes. So so

Hispanic chamber, for instance, they have somebody that's that speaks Portugese and is is connected to Brazil?

They do. They have people who are who are connected to to Spain, Mexico, Ecuador, Venezuela, over 100 members. Our thought over 900 members. We will use them for self help for the Hispanic communities, Hispanic cultural, a unique way of operating. To use the Hispanic chamber more intensely with the efforts to revitalize those neighborhoods. The second thing is on a basis of self interest for the City of Austin. Right now as you know the economies worldwide are changing, but Texas has \$190 billion of trade and our biggest trading partner is Mexico right now. Well, that is going to change as things go forward with the opening of the Panama canal in 2014 and other issues related to it. So the focus that we have we have today is different from the focus that was before. Now we're addressing more of a more of a community revitalization, more of a of a trade, more of jobs and taxes. Whereas I think before their focus was in support individually of the efforts of the greater Austin chamber of commerce.

Shade: Okay. Where's the source of funding for this? These contracts?

Both contracts, the original contract, of course, was with the City. And the new contracts, which were the former contracts of the of the ACVB, are now also funded by the City.

Shade: So did you substantially change what they were doing with ACVB.

Yes.

But you did not change the dollar amounts?

Correct.

There's no increase.

Okay. And I guess when it's in the City, is that general revenue, Austin Energy, other any idea?

Austin Energy.

Shade: Okay. And then were the chambers themselves involved with coming up with what their metrics would be? Or were these something that the staff generated based on their experience of working with them? In the past?

It was both. But it was it was an interactive process. We also had somebody from the governor's office work with us. So it's been very interactive and they are very supportive of this. They see themselves I think as kind of the tip of the spear for for the next generation of trade and economic development. Whereas the greater Austin chamber of commerce is doing a fantastic job of, you know, from the from the great things that have been happening here in the last two years. Just in the recruitment side. But at the same time, we've got 1500 minority businesses that have contracts all over the world and connections and businesses that we can draw upon to increase trade and and help grow those communities within Austin.

What do you think is the I don't mean to put you on the spot here, but as we're thinking about you mentioned India as a market. I mean so what's the group that's most connected to to Indian, especially technology and business enterprises?

The two Asian chambers of commerce, we did a debrief with them. We worked with both of them together and they are working together and the Austin Asian chamber of commerce has a greater focus on India. Which as you know is I think number 10th economy in the world, with the bullet is expected to pass China. The Texas Asian chamber of commerce is more China focused and even within those populations, the Texas Asian chamber of commerce is focused on on on the on the capital and and what was Canton. And the the there's a clear division of responsibilities. As you know, there's there's four billion people in Asia.

Shade: Do groups like Thai get to participate with with EGRSO or

Yes.

Shade: If so, how?

I know eve probably goes to some of their meetings, for instance.

Within the two Asian chambers of commerce, we had each organization identify approximately a 20 different businesses and cities where they have contacts. And so amongst those are are Bangkok, Ho Chi Minh, there's

Shade: No, I was talking about the organization. The the entrepreneurs organization called TIE Austin, tie Austin. They are the main Indian organization for high tech folks. You know, our venture capitalists that are from the Indian communities, many, you know, the the tech start ups, the software development. I'm sure you've been to things that they have supported. I just I'm going to be supporting this. I I think that the work of the chamber is really important, of all of our chambers. But I just think as a group, as we think about economic development and some of the things that you are trying to bring into play that we need to think out of the box a little bit. This isn't going to be for tomorrow's item, but I think we're supposed to be talking about a variety of items. I just think that we should be buying the services that we need that support our economic development goals. We have some really impressive and interesting goals, but the chambers don't hit them all. And and so when we are buying services, let's contract with the groups and again I'm for these groups. I'm going to support all of these contracts tomorrow. And I appreciate, you know, the work that's gone into it. But, you know, I think we ought to maybe be asking some of these chambers to be reaching out perhaps that's part of the metrics that they're working with some of these organizations.

That is part of the metrics. And I point out that there's there's two part focus. The one, of course, is the technology focus. I think Austin is dramatically advanced in that area and doing a great job of recruiting. The other area is in the area of of blue and green collar people. We have at least 10,000 hard core unemployed people that are people that have been released from prison, people who have a high school degree or less and people who are hard core unemployed. And to get those kind of people working, which would be a great advantage to the City's economy, we need to find jobs that fit them and so that is that is jobs in the distribution companies, which are directly tied to to trade. So that's forklift operators and truck drivers. It also has to do with the revitalization of the inner city neighborhoods where those people are. It is a double strategy.

Shade: Did we combine the efforts with this with the quality of life initiatives, in particular with respect to African American and Hispanic? Because they're so active right now. I mean that's such a big part of yeah, did we connect any of those dots? Is this going to help advance some of the priorities that they have in their

Yes, absolutely.

Shade: Which ones do you think most?

Well, I have met with the Hispanic task force on on two occasions. And we're dove tailing our revitalization efforts and our work with the Hispanic chamber into that very, very carefully. Dusty has worked with the African American task force and can address that.

but I think that's right on point and so we would like to revisit that. I think that that matches up with a lot of what you've heard Kevin talk about here today.

and I think it's a huge challenge for the chambers, frankly, including the greater Austin chamber. I spent a fair amount of time yesterday with a representative from the greater Austin chamber looking at specific things of how to engage the tech sector and that's a long term discussion and depending on where you are and the stage of your development and your company membership and chambers makes sense or doesn't make sense. It's an evolving thing. But some of the relationships that we want to build are going to be going to be from executives in more mature companies. And those more mature companies, they may or may not have those kind of executives in memberships of these organizations. So I think it's a again, this is supposed to be a dialogue and I look forward to supporting these items tomorrow. And I

appreciate the work that you're doing on them. And I had seen you guys sitting here all day, so I thought I better for sure ask you some questions so that your time wasn't completely for naught.

Morrison: Mayor? I want to jump off on what Councilmember Shade said. I'm fully supportive. I think we're really fortunate to be able to do this kind of support of our minority chambers. But to go farther and be looking outside the box, if we're talking about we can agree on the goals and right now the goals that you have set and I guess are adopted by all the generating jobs, revitalization and you add this international aspect to it. So one of the things that I want to ask is how do we decide it's sort of like Councilmember Shade has been saying. How do we decide what organizations might be able to help with that because one that I think that I've talked with you about, that really in some ways involved with this is Austin independent business alliance. So it's a chamber for local businesses. In terms of figuring out where the best thing where we can really help revitalize and add jobs. I mean, certainly our local businesses are collectively one of the biggest factions of our employment base, plus the money that goes into local businesses, generates more money than other businesses. So I guess the question is how do we set what our priorities are. And I think that's a council discussion. How do we set what our priorities are and how can we make sure that we're reaching the right people with these kinds of and we've thought of them as minority chambers, but I think we need to think more broadly. And include these folks, but think more broadly about that.

councilmember, sue Edwards, assistant city manager. One of the things that we have done for the past seven years is to work with the Austin business alliance because we them as the small business generator for Austin. And we have funded them over those past five, maybe even seven years to begin looking at different areas of the city and working very closely with them. We would welcome any other comments that you might have in terms of how we how we spread that wealth around. But I do think that it's really important and we have thought them very valuable for helping us in a number of different areas and we have relied on them a lot in order to promote businesses and to get them talking with one another and then really getting some advertising. And in addition to that, one of the things that we have worked on with them actually, I think it was Councilmember Cole several years ago, you may not be aware that we have a website where you can click on that website and information comes up on all of the small businesses that we work with. And it has been developed over a period of years where we've improved it. If you haven't looked at it, we'd be happy to get you the website I don't have it right off the top of my head, but it is very interesting in promoting small businesses and Austin business alliance has helped us with that also.

Morrison: Yeah. Maybe we can do a better job of refreshing people's memories on an ongoing basis like on the website. Because that is a good way to promote them. Are we still funding them.

yes, we are.

Morrison: Okay. And then just to add so that, I want to add that we got that organization together with the convention and visitors burro and they are now cross referencing each other on their website. So that's a really terrific way to promote tourism as well as our local businesses.

Shade: I want to build on that. I know Laura and I both spent a lot of time with the Austin independent business alliance. I apologize for my informality with calling you Laura and bill. I'm trying to get used to this work session, again just us communicate. I should refer to you as Councilmember Morrison. I can call you Laura in these formal sessions?

call her Laura, call me bill.

and you can call me Al. Perfect perfect.

Shade: Perfect, perfect. But I know that you and I have had conversations and the mayor recently had his had a business summit which many of the Austin independent business alliance members were

participants in that. I was really struck by the dialogue of just how much the neighborhood association discussion came up for these businesses. So that's another place where it's in land use, it's not I expect that we'll be hearing more from merchants on the parking discussion that we're having and that sort of thing. So I think that instead of thinking it so much about spreading the wealth and funding all the different groups, I think we really as a council ought to be thinking about what do we need from these groups and what should we be making sure that we buy from them in terms of these services? And I think that clearly again, like I said, Laura and I both were really encouraging with the ACCVB, but most tourists comment on how it's not it's not only chain stores here. They make a point to talk about that and the Austin convention and visitors bureau has certainly seen that. We fund the I biz district is another thing I think you might have mentioned. Those things add to the experience for the tourists, but they also of course add to the experience of the citizens. So it's all part of our ecosystem and I think as a council we ought to do everything we can, especially in anticipation of the next budget cycle to connect those dots each more.

Morrison: I want to ask real quickly. What is the funding level for the I biz districts right now?

60,000.

Morrison: But to your point, that's an organization that might be able to be doing the kinds of things that we're looking for in terms of jobs and all. We should think more broadly.

Cole: Mayor, I have a brief comment.

Mayor Leffingwell: Go ahead, Sheryl. [LAUGHTER]

I just wanted to give a little bit more information about the item that I sponsored a couple of years ago with the independent businesses. We focused on specific districts to highlight first that are on the website that assistant city manager sue Edwards has pointed out.

you can call me sue.

Cole: And it might be interesting for Councilmember Shade and Councilmember Morrison to look at that and look at additional districts that we may want to consider funding. Because we actually had an outside consultant work on that website and it has been very successful and I often get positive feedback. But I think that we started with South Congress and we also did east 11th in East Austin. But in any event, that has been a successful method that I think this organization really appreciates.

absolutely.

Cole: And I also want to briefly comment that I am supportive of all the minority chambers and all the work that you do to support them. And also recognize that today was the African American chamber's elected officials lunch. And I had a conflict and so Mr. Anthony snipes answered a few questions for me, but more importantly I want everyone to know that Councilmember Riley sat as a black elected official. [LAUGHTER]

that's great. That's great.

Shade: One other thing just to put in the [LAUGHTER] One other thing just to throw in the hopper of things to think about too as we talk about it is also the other organizations, particularly those of us that serve on the subcommittee, recognizing the importance of the contractors organizations, the network of Asian organizations, which is a big umbrella of all of them. And I think of all the Asian organizations, including both of the chambers and countless other groups that are part of that network specific to the nations that you're talking about. I know Lee was honored at the at this last event, but I think every one

of us was there and I was just amazed literally every country represented. But the black contractors association, the amount of work that they're doing, and that's feeding into some of the businesses that aren't necessarily going to be members of those chambers. So I just think we've got to figure out how to shore up what we're doing across the board on this and make sure we're getting what we need and getting out to who we need to be getting out to because it's not just like there's only one organization anymore out there.

Mayor Leffingwell: Okay. And I just have to say I know you alluded to it, but the city does a lot for small business. In a lot of different ways. Rosie here is head of the small business development section in economic growth and redevelopment department. And that's her full time job. And I think she has people working for her even. [LAUGHTER] And we know how important. We hold seminars, meet the lender, training classes. As Randy mentioned, we had a summit awhile back, small business and collected ideas. We're in the process of coming up with a summary of those along with recommendations of how we could implement those. So I biz has been mentioned. A lot of ways, a lot of different ways that don't come together in one item and appear, here's what we're doing for small business. But it is substantial. I in particular recognize what an important part of our economy small business is. 75% of the jobs in Austin are with businesses that employ less than 100 people, arguably small business. So you could say it's not only an important part of our economy, it is in fact the backbone of our economy. So just to make it clear to everybody, we value small business, we support it in a lot of different ways and we will continue to look for ways to increase that support.

Morrison: Mayor?

Mayor Leffingwell: I have one last question. You're talking about emerging international Councilmember Alvarez. Isn't the acronym for that, is it brick?

brick. Mayor Brazil, India, China, Korea. So everybody can remember that from now on. Laura?

Morrison: Thank you, Lee. I just wanted to thank you for making those comments about everything that we do for small business, and particularly I wanted to sing the praises of Rosie and her department and Vicky. They had mentioned that just last night they hosted a seminar for day care providers because we have new we have new fire code requirements for them since we adopted the international building code last September. So that's quite a challenge for some day care providers who have more than 49 kids. It could be a financial challenge and a sort of complicated new code, so she has the fire department in to talk about that, provided some background about all the great services that we provide since we had a captive audience, and then also had some lenders, peoplefund and big Austin and folks in case there were folks there that were going to need to look at health and financing. So it was really a terrific a terrific resource to provide, and I know they will be doing some more of that as the year goes on.

Mayor Leffingwell: Anything further?

Any more items? Councilmember Riley.

Riley: Yeah I do have Larry Weiss has been sitting here patiently all day.

Mayor Leffingwell: And we do kind of drop dead here at 5:30.

Riley: Okay. I'll be quick. I did want to address a few questions. The first item is a very significant one. It entails implementation approval of implementation of the Austin energy resource generation and climate protection plan, including affordability goal. And we had a couple of questions about that affordability goal. I want to make sure we're on the page about what that means. Does that mean that in any given year we'll see we will aim to have no more than a two percent increase within any customer class or

alternatively might it mean that there could be some year there could be a year or two where we have very little increase and then there might be one year where there's a more significant bump, but we aim that over some period of time longer than one year that it will all work out to no more than an average two percent annual increase?

yeah. Larry Weiss, Austin energy. You're correct the last way that you described it, in my mind that's what it is. The basis of it was looking backwards to 1994. If you looked at the trend of AE electric rates overall, system average, they were about 30 percent, 28 percent since that time. And so carrying that forward, that's a trend. So there was it's not necessarily smooth. Our goal is to make it as smooth as possible.

so there might well be bumps of two percent or more, but over time, over some time of greater than one year we expect that it will average out to more than two percent per year.

follow that line or to be below it.

Riley: Great.

and you're right, there might be a year where you're down below and we'll come to the council and need a rate change, but that's our goal.

Riley: Okay. And then with respect to the other part of the affordability goal, that the goal we've said that the goal is to maintain Austin energy's current position and competitive rates relative to other utilities in the state by having a goal of being in the lower 50% of Texas rates overall. I know that's going to get more complicated than it sounds because we don't have just one set of rates actually, we have different rates for different classes of customers. And I take it that when we set a goal of being in the lower 50%, what we mean is that for instance our residential rates in the lower 50% of residential rates statewide. And so on with respect to other customer classes.

that's correct. In my mind it is it is class specific in that you don't measure them all the same, but our goal is to be in that range with every class.

and with respect to some classes in particular, in particular large industrial customers, won't some of those rates be set through negotiations with particular large consumers as opposed to just generates that apply to everyone?

well, yes, you're correct. We're in rate design right now and what the way that we're moving forward is we have two extremely large customers. And it makes a lot more sense just to have a contract with them. And then we have some customers, about 12 that are in rate contracts until 2015 anyway. And so I think that I think you're on the right trend. That's the answer.

Riley: Well, one concern I have is that in some parts of the state, and there are large industrial customers who can draw their energy during off peak periods. They are in a position to negotiate very low rates. And here in Austin our large industrial customers may not may actually need their rates during peak periods. And so it may be more difficult to achieve rates that low with respect to those customers. Are we going to be in a bind if we're committing to aim to be in the lower 50% for all classes, are we going to be having to compare ourselves with other utilities with respect to their contracts with large industrial consumers who can draw their energy during off peak periods?

well, in the class when we do that comparison, we don't have any interruptible rates, for example, with large industrial customers right now, but we're a rate design on those and so if we end up with rates like that, that's what we would compare to. But you're right, if you don't have an interruptible rate for a large industrial customer, you wouldn't benchmark against that because we don't have that rate. But what we

would do is benchmark against light type service types of commercial. Austin energy service area does not have a lot of folks who are pretty interested in interruptible rates. It's the nature of our service area.

Riley: But other peer cities may have customers

they may have. For example, if you have a lot of food processing load, you might be able to do that or a manufacturing. And that doesn't particularly exist here. For example, data servers, data farms, they're not interested in interruptible rates. So a lot of that is going to come down to rates assigned. But I see what you're talking about. That's the tricky part of benchmarking is that you really have to benchmark like type rates and like type consumers when we do that.

Riley: So we'll be careful. To the extent that there are other utilities that are offering rate packages for consumers during off peak periods, then we wouldn't be necessarily benchmarking against those unless our own customers have a similar ability.

right. I think in the interest of transparency we'll try to show everything and show where we sit with a whole marketplace. Deregulated, regulated, it's all of that. So going forward. So to do that every year. Every April. In fact, this April I plan to have a full benchmarking presentation on where we stand today. Of course, we're in rate work. But the key part for me in this generation plan is to get it going and start working on it.

Riley: I'm looking forward to that and I know we'll be having ongoing discussions about our rate design in the coming months. I look forward to your continuing work on that. Thanks for answering the questions.

Mayor Leffingwell: So for clarification, I thought I heard you say that it was a two percent average cap over the life of the plan. That is not my understanding, it's a two percent cap per year as a goal, not not written in the constitution or anything, but as a goal, a two percent cap per year and remaining in the bottom half of all Texas utilities. Where we are right now I think we're in the bottom 40 percent, but to give the flexibility we're going to say our goal is the bottom 50%. But that has not been my understanding, that is not what I've been conveying to other folks, folks in the legislature and so forth and the discussions that I've had that it would be a two percent cap per year. As a goal. If some kind of crazy good opportunity came up and the council has the opportunity to do that, just like the other goals involved in the generation plan, it may or may not be made. There are goals and we'll try as hard as we can to do them, we'll try to make those goals, but the two percent gap per year is to my understanding one of our goals and that's what I will be assuming tomorrow when we address this plan.

yes. That our assumption. And I want to go back to Councilmember Riley I almost called you Chris for a second. [LAUGHTER] Anyway, what I anticipate is because of rate work, and I've had my career of what will happen, I think, is it will achieve exactly what the mayor is talking about, but we will go down probably below that line for awhile, just like if you look back in our history and then we will have a change, but we don't want to have a trend, we don't want to go any more than two percent a year. Ideally in electric rates if you could do a little bit every year, you're a lot better off than waiting too long and doing a big jump. So our goal is consistent with that. And, you know, the council as policymakers for us and we'll be bringing that forward and you can

Mayor Leffingwell: We're down to five now. Any more items?

Riley: Very quick question. It was on the zoning case actually. It was on the suburban lodge on I 35 south. Let me find that number. There was two numbers. That is item 65 and 67. And really, is anyone from public works still here? I actually would have maybe actually, I have a sidewalk question. Is there anyone who could speak to sidewalks? My question is really not specific well, it's a concern raise bid this case, but not really specific to the zoning case. This is an SRO project at 2105 south 35 which is on the northbound frontage road of I 35 between Oltorf and Woodward. This is R. this is not a particularly

friendly pedestrian site. It is about a third of a mile from Oltorf. About .4 of a mile to the bus stop at a Parker and royal hill. And there are not currently continuous sidewalks to either bus stop. I just really what I wanted to know I think it's a great project and I expect to support it and it will further our goal of providing more affordable housing for difficult populations. But I do I want to raise a concern about the about sidewalks and see if there's any way that we would be able to access any funding, whether from proposition 1 or elsewhere to address sidewalk needs so that people living in this facility would have continuous access along a sidewalk to a bus stop?

councilmember, Jerry Rusthoven, planning and review. That is something we could take up with the transportation department and see if they have any funding available. There of course not be a requirement of the zoning case.

Riley: No. All I'm suggesting is I would like for us to be working independent of this zoning case, I'd like for the transportation department I see Gordon back there nodding his head. I think for transportation department or public works to be looking carefully at this and making sure that we are cognizant of the fact that we are that there is that this project is going in here at a place that currently does not have an ingress and egress to any bus stop and we're dealing with a population that ought to have access to a bus stop. Right now if you were in a wheelchair at this site, you would just be out of luck. You would have no access to any transportation at all. There's no sidewalk access to any bus stop. And that's a real concern and one that we would be in a position to address. And I just want to make sure that that happens.

okay. One more thing about that case? We did receive a petition today in opposition to the case. We're in the process of validating it. It may have a valid petition by tomorrow, just to let you know.

Riley: Okay. Thanks.

Mayor Leffingwell: Council? All right. That concludes our agenda for today. Without objection we stand adjourned at 5:25 p.m.