

Closed Caption Log, Council Work Session, 05/02/12

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>> good morning.

I'm austin mayor lee leffingwell, this is the work session of the austin city council to discuss budget issues, we're 00 to 4:00 today.

We're meeting in the board and economics room, the time is 9:10 a.m.

With that, I'll turn it over to ed to get us started on this process today.

>> Good morning, mayor [indiscernible] today's agenda we have a continuation of the economic outlook and financial forecast presentations that we started last ap 18th.

We do have a full agenda for you today, we have nine departments presenting, starting off with the austin public library.

We have health and human services, neighborhood housing, community development and watershed protection all scheduled for the morning.

We'll take a lunch break, some -- somewhere around 45 depending where we are.

We would like to come back 00, we will go from 00 with five departments planned for the afternoon session, animal services, austin resource recovery, code compliance, public works and transportation.

So a very full schedule and we won't waist any time.

We'll get right into it with the austin public library and the director, brenda branch.

>> Good morning.

>

>> good morning, mayor leffingwell, mayor pro tem cole, councilmembers, I'm brenda branch, director of the libraries, with me today IS dana McBee, our assistant director for support services.

I would like to start with the library's major accomplishments.

I would be remiss if i didn't mention that the overarching achievements of this year and every year is the tenacity and dedication of the library staff.

Who despite the fact that the library has fewer staff per service hour of almost any other peer library, continues to be a model for leading edge programs and services.

We have received state and national recognition for our youth programs, our recycled reads program, archival programs and exhibits known and beloved by this community as the austin history center, to name just a few.

In our proposed new central library for the future and our state-of-the-art website in progress have created great excitement in this community.

You will hear more about these programs a little bit later in the presentation.

We have broken down our fiscal year, 2011, accomplishments into four categories.

Capital projects.

The top photo that you see on this slide is the austin history center, a.d.a.

Compliant ramp.

Not usually something considered a work of beauty, but in addition to being functional, it is being praised by historical building preservationists for its attributes.

The john henry faulk chiller and cooling tower retrofit reduced the energy consumption by a third.

Interior security surveillance cameras have been installed at all library locations.

Video from these cameras regularly assist in the identification of criminal acts and the apprehension of suspected perpetrators.

Service delivery improvements.

Over the past year, every division and work group in the library selected a best managed project that would transform the service that they provide, including the system-wide best managed project to create a state of the art website.

Making the interface as simple as using google.

With access to library and city resources and services, databases and internet sites.

Functionality will include online payment of fees, video and mobile phone apps and our goal live date is august 2012, the carver computer and job search center, seen in the bottom photo on this

slide opened october 2011 using grant funds to provide computers and training for job seekers, the excuse me, we launched the addition of downloadable materials to our collection to immediate overwhelming demand.

We are currently circulating 10,000 downloadable items per month.

Despite the fact that demand for our hard-bound materials continues to increase by 8% every year.

Progress on austin public libraries horizon issues.

\$544,000 Was approved in the fiscal year 2012 budget for exterior security cameras for every library location, which will be installed and operational by the end of 2012.

Green practices.

The library's used book store, recycled reads, has become a model for our libraries across the country and has been featured in the texas library journal.

It's an active participant in the city of austin zero waste plan, ensuring that obsolete materials are handled in an environmentally responsible way.

In the year -- in the past year, 210,000 books and materials were sold or recycled, nothing goes to the landfill.

The library partnered with austin energy to check out wattmeter devices at every library to measure how much electricity plug-ins draw from the power grid.

All 50 wattmeters are checked out continues yourly.

This next slide highlights outcomes of our key performance measures in 2011.

The library exceeded or remained constant in nearly every measure and only slightly decreased in one.

Materials expenditures increased 21% from fiscal year 2010, but we still remain just above the lower quartile for peer libraries and we lag behind the average.

Circulation per capita increased five percent but falls below the average of peer libraries.

Visits per capita decreased 6% from 2010, but keep in mind that the southeast austin library was closed during fiscal year 2010 from december 2010 through september 2011 for an extensive renovation project.

Program attendance per CAPITA DECREASED BY 1/10th Of a percent.

Also due to the closure of the southeast austin branch.

Citizen satisfaction of materials increased by 1%.

72% Of responding citizens.

And citizen satisfaction with quality of city libraries remained constant.

This next slide shows the satisfaction ratings for the specific library services assessed as part of the city's annual community survey.

Cleanliness of facilities received an 80% satisfaction rating, up 1% from the previous year.

Quality of libraries received a satisfaction rating of 73%, remaining constant with the previous year.

Library programs received a rating of 72%, down one percent from last year.

Library materials received a rating of 72%, up one percent from the previous year.

And library hours received a satisfaction rating of 62%, up 3% from the previous year of the.

Here are the major cost factors included in the library's proposed 2013 financial forecast.

1 Million for inflationary personnel costs.

500,000 Covers the following inflationary increase of 85,000 for database or for materials and \$12,000 for databases.

It maintenance contracts and elimination of the department's vacancy savings in the amount of \$214,000.

Total for the fiscal year 2013 forecast is 28.1 million.

During the business planning process, the library identified four challenges that we are facing in dealing with horizon issues, over the next 12 to 18 months.

We will lose many experienced employees.

Due to retirement over the next three years.

We have begun to work on a succession plan to work on a smooth transition.

Customers expect access to information in digital formats.

However, demand for traditional library services, such as hard-bound materials and face-to-face assistance continues to increase at the same time.

Steady growth is expected for hispanic and asian populations in austin over the next 20 years.

We have increased funding for spanish language materials by 40% and world language materials by 59% to address this issue.

The two core areas in which sustainability is critical to the library's future are collections and facilities.

The cost of materials increases every year and although inflationary funding has been added over the last two years, we still find ourselves in the lower quartile of public libraries, our peer public libraries.

As our current 24 facilities have aged, the need for upkeep has increased accordingly.

The austin public library is requesting funding to address three unmet needs.

Essential personnel positions.

This request for 493,000 would allow the hiring of 10 essential regular budgeted positions.

In 2002 the austin public library had fewer staff per service hour than almost any of our peer libraries.

Over those 10 years the library lost a net of 30 positions, making it necessary to use temporary positions to maintain essential operations and keep up with increased demand in every area of the library.

Every year, we use between 10 and 30 temporaries, funding with vacancy savings and from other line items such as the materials line item.

This number of temps has only minimally met the department's needs.

Every year we have many more requests for temporary positions than we can afford to fund.

As a result, everyone in the library works as a team to fill in wherever they occur, wherever our vacancies occur.

Employees move between locations and divisions to fill in when someone is on leave or there is a vacancy.

This current year, because we have few vacancies, we are leaning very heavily on the materials budget to keep the doors open and functioning and our operations functioning.

This is not a sustainable staffing model.

The library needs to convert these ongoing temporary positions to regular budgeted positions.

To just begin the -- to address our inadequate staffing with a viable long-term solution.

A dedicated budget for temporary employees.

Austin public library has not had dedicated funding for temporary employees since fiscal year 2003.

We are requesting funding in the amount of \$250,000 to hire eight circulation clerks to provide direct service throughout the system.

The approved funding would allow us to address staffing inadequacies and reduce the need to negatively impact other budget lines.

Two custodial positions.

Funding in the amount of 93,000 would provide for the addition of two custodial staff for the library.

The current level of staffing is inadequate to meet the demands of cleaning 23 high activity facilities seven days a week.

The addition of these two custodians will minimize unsanitary conditions ensuring the health and safety of our customers and staff.

The library is currently involved in four ongoing c.i.p. projects.

As I mentioned before, there's growing anticipation for the new central library for the future, which will incorporate such unique elements as outdoor reading porches, roof top garden, bicycle corral, state-of-the-art technology and many public meeting spaces.

Currently, the designed development phase is underway and 60% design schematics is anticipated to be completed in september of 2012.

We estimate that all exterior security cameras will be operational by the end of the fiscal year.

The wastewater line replacement project at the history center has reached the end ofign development phase to be completed, also by the end of the fiscal year.

And john henry faulk central boiler and flue retrofit has completed the preliminary design phase.

That completes my presentation, I'm happy to answer any questions that you might have.

>> Mayor Leffingwell: Questions?

Councilmember Riley?

>> Riley: Brenda, thanks for the presentation and all that you've been doing to provide good services in -- with limited -- very limited budget.

I appreciate all of the constraints that you've been under and everything that you've been doing.

I want to ask just a couple of questions, first on the whole staffing problem.

You mentioned a couple of times that you've been using materials budget to keep operations going and to deal with staffing issues.

I guess that I hadn't realized that we were doing that with our materials budget.

Now, when we look at how our materials expenditures stack up with other cities, we've seen those metrics before, we know that we're not really keeping up with our peers, but when we look at that and look at those measures, are we looking at the amount we actually spend on materials or are we looking at the materials budget?

Some of which is actually going for staffing?

>> No, we're looking at the actual materials budget.

>> Actual budget, actual expenditure.

>> Yes, right.

>> Expenditures don't stack up.

>> Right.

>> Riley: Why is it that we would -- why wouldn't we have just designated those funds for staffing positions if that was what they were going to wind up as?

Why is it that we would designate it as materials and then use it for staffing?

>> That's the only place we had any money to take.

We hold money at the beginning of the year and we only use what we absolutely have to use.

We try to hold costs down, we try to hold positions vacant.

But we have to have temporaries in order to keep operating.

We would have to close hours

>> Riley: On the custodial staff, you mentioned there are 23 facilities, looking to hire two more staff.

How many custodial staff do we currently have for those 23 facilities?

>> I have that here.

>> We currently have 13 positions for 23 facilities, we are open 48 to 58 hours per week.

So our custodial staff is spread very thin and they deal with a lot of emergencies.

So I mean we have actually had to call people back after they've gone home to deal with some emergency situations.

>> On the citizen survey results, I was glad to see that satisfaction with the library hours has actually gone up 3% between 2010 and 2011, I was a little surprised to see that.

Because I know that I have gotten some complaints about the hours at the faulk library in particular.

Were there other --

>> actually the reduced hours for john henry faulk hadn't taken effect yet --

>> Riley: I see.

So that was just a matter of timing.

>> I assume that for the purposes of the coming year you expect to keep those same restricted hours at faulk, not expanding.

>> Right.

>> You expect that --

>> until we open the new central.

>> Riley: At that time when we open the new central, you still expect we will be able to go back to longer hours?

>> Absolutely.

Because we will be having programming in the new central library, a lot of meeting spaces.

We don't want to keep the restricted hours when we move to the new central.

>> Riley: Okay.

>> Actually, councilmember Lumbrales, if you recall, one of the reasons that we did do that, based on the usage of the facility, the earlier hours were lower and the later hours were less in terms of the customers that we were serving, so it was really an operational adjustment that we made based on the usage of the facility, plus we also thought it would be an appropriate thing to do at this point as we start looking into moving into the new facility.

>> Okay.

We did hear some complaints about matters at the fault just recently.

We had a citizen come speak at citizens communications voicing concerns about some operations at the fault.

Are you aware of those concerns?

>> Yes, I am.

>> Riley: Do you see any way that we're going to be able to address those concerns this coming year?

In terms of managing operations at the fault in a different way?

Is there anything about your budget that would help us to address those concerns?

>> We're constantly looking at how to address that issue and working on it.

It's not an easy issue to address.

We try to balance the needs of everything and I think we're honestly doing the best that we can at this point.

>> Riley: Some of the complaints were about maintenance of the bathrooms.

I suppose that additional custodial staff would help with that to some degree.

>> That would help a lot.

>> Riley: Okay.

Lastly, I just wanted to ask about one item that you mentioned because I wasn't aware of it before.

Partnering with austin energy to allow customers to check out watt meters.

Can you tell me more about that program?

>> Sure.

You plug your device into the watt meter, it tells you how much drain, how much electricity it's using, it's an awareness.

>> Riley: You can plug in your d.v.d. or whatever.

player anything that draws electricity, you plug it in, it will tell you how much that devices, that appliance uses and then it will help you make a decision about whether you want to keep that plugged in.

It's been very, very successful.

We've -- they are constantly checked out.

We had a grand opening at the twin oaks branch library, lots of customers came and they heard a presentation from the electric utility explaining that you should unplug a lot of your devices when they are not being used.

A lot of people didn't realize what the drain is when they are not being used.

>> Laura was aware of that.

>> A lot of our citizens weren't.

It's been a real eye opener.

It's a wonderful partnership with austin energy, very successful.

>> Riley: Where are those available.

>> Every library.

>> Riley: Every library branch has those, that's great to know about.

Thanks again for all that you are doing.

>> Thank you.

>> Mayor Leffingwell: I want to follow up a little bit on the discussion that chris started.

About the faulk library.

The citizen who came down to talk about it, I think, the bottom line inference was a lot of people are using the faulk as a place to hang out, not necessarily as a place to use library facilities.

But a place to rest, sleep, use the bathrooms, et cetera.

You would like to get your comment on that if you haven't already discussed it.

>> You may not be aware, but we have a policy that you must be using the library in order to be in the library.

You cannot just hang out.

You have to be reading a newspaper, reading a magazine, using a computer.

>> Mayor Leffingwell: This individual kind of addressed that saying a lot of people will prop up a book in front of them.

>> We have roving security guards who audit the library all the time.

>> So you don't think this is a problem?

>> Well, I mean, you know, you can only be -- you can't be everywhere at one time.

Somebody may see somebody doing that, are if we catch them doing that we address it.

If they are not following our policies, we don't allow them to stay in the library.

>> Mayor Leffingwell: What I really wanted to get was a sense, basically your opinion if this is a problem, not a problem.

What I'm hearing from you is that it's not a problem.

>> It's not a problem.

I mean, we are very met meticulous about walking the library, I walk the library, I call it my rounds, I see what's going on, I don't observe a huge problem.

Occasionally somebody will fall asleep when they are reading, could be anybody.

What we do I just walk up -- [laughter] -- tap on the table.

I have done it myself.

>> Mayor Leffingwell: So what do you do if someone is abusing, you know, in a rare occasional basis that you --

>> we ask them to leave the library.

If we see somebody sleeping we give them a warning.

If they don't -- if they are obviously there to sleep, the warning doesn't help we ask them to leave for the day.

It's progressive.

If the same person does it again, then they are asked to leave for a day, if they do it again they are asked to leave for a month, again a month, eventually they are evicted.

>> Mayor Leffingwell: That's good to hear.

>> Mayor?

>> Mayor Leffingwell: Mayor pro tem cole.

>> Cole: I just have one question, again, we appreciate the work that you are working on a shoe string budget.

>> I know we had issues with the central library in terms of actual funding to get it done and we've tried to give direction to the bond committee to try to give us estimates to get the big projects done so that we don't face a shortage.

Can you give us an update on how it's going?

John, do you want to step up and let them know that?

>> This is john gillam.

>> [Indiscernible]

>> thank you.

The new central library project is in the throes of design development, as i like to put it.

We are expecting to bring completed design development package to you in september.

I think your question is primarily about the budget.

We constantly monitor with our architects and engineers and our construction manager at risk the trends in our design and we take breaks to go back and look at the design and make sure that we're coming in within our construction budget.

When we appear to be drifting towards exceeding that, we do value engineering and we bring it back in line.

Is it a challenge?

You bet.

Do we intend to bring it in at budget?

Yes.

>> Great.

>> Cole: Thank you, mayor.

>> Mayor Leffingwell: City manager?

>> John, essentially you are saying with respect to scope, schedule and budget, everything is in place, you are within that?

>> Yes.

Not without its challenges, but we are on schedule, you know, you slip, I think you are -- if any of you have been involved in big construction projects or big projects of any type, you tend to slip, you bring it back into line, you keep your eye on the bottom line.

>> That's managing the project.

But it's important to be mindful this project was challenged if isally to begin with.

Physically to begin with.

If you go to the original c.i.p. it was underfunded.

Of course we spent a lot of time revisiting the project to what it is today.

And coming up with a different financing strategy from a variety of resources that has enabled us to go forward with the current plan that's being undertaken now, is that correct.

>> That's correct.

>> All right.

>> Mayor?

>> Thank you.

>> Councilmember morrison.

>> Morrison: And to that point, I want to congratulate you all because I know that it's an immensely challenging process in design and collaboration with the different departments is really critical and I think we're looking at a really exciting project.

With regard to a couple of horizon issues because of that, obviously we have challenges in being able to manage our budget to the -- or have a budget that we really want.

Can you remind me how the operations and maintenance of a new central library is going to fit into our budget?

>> There will be some additional requests for operational, will have increased custodial needs, will have increased security needs.

It's a modest increase, but there will be an increase.

>> And which brings up the other issue.

Can you remind me where we are on figuring out what we're going to do with faulk.

>> Yes.

The current john henry faulk will be part of the austin history center.

They will expand into the john henry faulk library.

By the time the new building is finished they will need the entire building.

They have, as you know because I know you use the austin history center, is extremely limited in space.

They don't have enough archival space, don't have enough processing space, they have one meeting room.

So the entire john henry faulk will be converted into expansion space for the austin history center.

>> Morrison: That's terrific because that's really going to allow the history center to enhance their services and with regard to the issues that we have with people perhaps abusing or misusing the library, I just want to say that I appreciate the way that your dealing with it because it's really a slippery slope of trying to decide whether somebody is just sitting there with a book propped up or say for instance contemplating what they are reading.

I appreciate you taking care with that.

>> Spelman: I want to ask you about performance a couple of minutes.

Just a couple of minutes.

Get a sense of how we compare or really compare to those peer cities.

The materials expenditures per capita has been one of those standard measures, i realize one of those things trying to increase that for years, just trying to find money in our budget to do it.

The numbers looks like about \$3 per person now.

The average of our peer cities, calculated about \$5 a person.

>> That's right.

>> Spelman: If we funded 's and were able to move some of those temporary positions into full time and added more full-time employees as you're talking about, that's about \$750,000, if you add it up, is that about right.

>> That's right, yeah.

>> Spelman: Right now that's actually coming out of your materials acquisition budget.

>> This year?

>> Spelman: Yeah.

>> dana McBee, assistant director.

Right now we are holding \$300,000 from the materials budget to cover temps.

What we do as brenda said, we start off with an estimate of what we're going to hold, we try to keep the temp costs down, we try to limit other expenditures as much as we can.

As we go through the year, we want -- actually on a bimonthly basis every two weeks, I take a look and as we go through the year, i slowly, if I feel like i can, I release money back to the acquisitions manager so we try at the end of the year to get the perfect balance.

>> Spelman: Okay.

End up with everything transferred back that you can.

>> Give them everything back to work with that they can.

They keep a list sort of a last minute list if we get within a couple of weeks of the end of the fiscal year and I see that they are going to have money left over, they have a list they can immediately go to to spend.

>> Spelman: So one of the benefits of increasing your budget for employees is that the materials acquisitions expenditures, the stuff that you are going to be able to use, is going to go up by somewhere in the neighborhood of 50 cents per capita.

>> That's correct.

>> Going from somewhere around 3 to somewhere around 3.5.

Help me understand how that's going to be valuable to us.

The average of our peer cities is about five.

Is our expenditure pattern the same as theirs?

Do we buy the same kinds of books, the same kinds of materials that they do.

>> Uh-huh.

>> What can they do with \$5 that we cannot do with \$3?

>> Buy more.

>> Obviously.

The point of view of the end user, I get faster access to best sellers, that I've got a broader collection available.

>> I think that I can put that in perspective for you.

Right I know, hard back materials, we have a waiting list sometimes three to five months for a lot of materials.

>> If we had more money in our budget, people would have to wait less time to get the things that they would like to read.

One of the biggest complaints that we get aally across the service desk, talking about hard back, they come into the library looking for materials and they can't find them.

Because we have to buy so few copies of materials or no copies of some things that are not say on the best seller, a lot of times people will come in, they just read the best seller, back copies of the authors that they have read --

>> Spelman: What else did John Updike write.

>> Okay, now there's something new in the equation, we have downloadables.

The first month that we had downloadables, 1,000 were checked out.

Last month 10,000 downloadables checked out.

There is a huge demand for downloadables that we can't meet.

If we had additional funding, we could help better meet the demand for both hard copy and downloadables, it's just a quantity issue.

>> Spelman: I'm trying to put a number on this.

Let me work on this slowly as quickly as possible.

The mayor is not here so I don't have to apologize.

We have circulation per capita is lower than the average.

I have a guess here that our circulation per capita is lower because people are going to the library and can't find what they are looking for, they don't go back as often.

If they went to the library and found what they were looking for they would be more likely to go back again.

That translates in a way that I would like to be able to argue to reduce costs to our -- your users, our citizens, because they don't have to buy the book.

So if you are on a three to five month waiting list, my guess is a lot of those people drop off the waiting list because they go out to bookstores and buy the thing.

>> That's right.

>> Spelman: I don't think we can come up with a number on that.

You might be able to help me get a sense of what we are dealing with.

How many of those books have three to five month backlog or wait list?

Do we have a lot of books like that.

>> A lot of them.

>> Spelman: Well a lot --

>> let me put it this way.

Anything on the best seller list, anything that's been on the talk shows, anything that's in the austin american-statesman, the minute it -- the public becomes aware of something, they want it.

They want it now and they are unhappy because they have to wait three to five months, sometimes even longer to get it.

>> Cole: Three to five months --

>> Spelman: A three to five month wait list is going to translate into two week rental periods, two weeks, three weeks?

>> We allow materials to be checked out for three weeks.

If there's a hold on it, that's it.

That's as long as you get it.

If normally you can renew it twice.

But if there's a hold on it, you only get to keep it for three weeks.

>> So we're talking about at least for your popular materials four or five times they're going to go, that you know about.

If the backlog goes on longer, it's going to be more than that.

You are buying a book once, but citizens of austin are able to read this four, five, six times, and you are buying it once saves the citizens of austin four or five or six times as much money because you bought it once and they can borrow it rather than having to go out and buy it themselves.

>> Right.

>> Spelman: I don't know how to put a number on this.

I could probably work it you the, probably you could, too.

Seems to me one way we ought to think about selling the services that you are providing is that you are saving the citizens enormous amounts of money because they can borrow a book rather than having to buy a book, that's money in their pocket that they wouldn't otherwise have.

>> That's correct.

>> Spelman: Does anybody do that, try to figure out what the financial value to the citizens of the public library?

>> We have done that, we can do it.

We don't have it with us, we can do it.

>> Spelman: I understand.

The reason that I'm going into this, every year you guys take it on the chin.

You have to cut your library hours at fault.

We're looking for some way of balancing the budget and we end up taking money out of parks and libraries.

I'm not telling you anything that you don't already really, really know.

If there were a way of budget the stuff that you do in the financial form that says look, you are not just cutting the budget, it sounds really good to cut the budget.

But you are actually cutting the income, the spendable income of our taxpayers because that materials acquisition budget is multiplied by five in the pockets of our taxpayers, then that makes you look a whole heck of a lot better.

I think that's probably an accurate way of thinking about the value of the library to the citizens, in addition to the other stuff which is very difficult to quantify.

You walk into the library sometimes you pick up a book that you didn't know that you wanted there it is.

That's not the such of thing that is likely to happen to you at borders book store at list.

Okay.

Would it be accurate to say if you had a higher materials expenditures it's good chance that we would have more circulation per capita, more stuff to circulate.

>> Absolutely, they are correlated.

>> Spelman: Probably more visits per capita.

>> Yes.

>> Spelman: Okay.

We haven't got good comparable information on citizen satisfaction, but i think citizen satisfaction is going to seek its own level at each place.

If there was more stuff we can expect the citizen satisfaction would go up.

But seems to me the more important measure, if we can figure out a way of coming up with the number 4, how much money are you saving people with having people go to the library rather than having people go to the book store.

>> We could do that.

>> I would sure appreciate that.

Would very much love to see a number like that.

Thank you, ma'am.

>> I have a couple of questions, I wonder if you could give us more information about the temporary employees, how they are filling in, at the desk or what kind of roles are they playing within our libraries.

>> All of them are front line clerks right on the desk.

>> Tovo: As you set if you don't have those positions filled you have to cut back on the hours.

>> We would have to cut hours in order to keep operating the way we are.

>> So last year I remember in the budget process there was some changes to recycled reads, I think they took on the responsibility for the lease.

I wonder if you had any information yet about how that's working out for recycling reads financially.

>> They took on half the lease.

We moved half the lease costs into self supportive and we kept half in the general fund and right now that's working well.

>> Good, good.

And they are sort of at the same levels or higher in terms of their sales.

>> Uh-huh, they are high, but they are consistently high.

So that's working -- that was a good opportunity for us to -- to use recycled reads to our advantage.

>> Good.

>> Tovo: I think that you answered the custodial question.

Do you contemplate any further cuts to hours this year, in this year's budget?

>> No.

Much.

>> Good.

Well, I appreciate, I think councilmember riley was the first to raise that.

We have, you know, if I hear one complaint about the library that's the one.

That the hours have been cut back and, you know, often i was thinking about some of the email we receive, i think when people, it often comes up in passing, you know, why did you vote to spend money on x because, you know, at a time where we're cutting our library hours, I think for many people in this community as you probably see every day, you know, they really depend on the libraries and that's part of how they see the role of city government is to maintain good libraries.

It's very much not an extra.

It is -- thank you.

You notice part of how they further their education, learn new skills, prepare for job interviews, promote literacy at home.

So I hope that -- that sometime soon we can see materials expenditures at a level of our peer cities and also our hours back to what they were a few years ago.

I just want to complement all of you because I think that you do an extraordinary job with a really limited budget and I wish that we had more available funds or that we prioritized differently when we have the opportunity to really make sure that we're on level with our peer cities in terms of our materials budgets and our hours.

And other things.

How do the fees and fines go back?

I forgot to ask that question, do they go back into the library budget.

>> They are part of the general fund.

>> Tovo: I see, not specifically targeted back.

Thanks again.

I think the public library is kind of a big part of my family's life.

Knowing these numbers I'm always amazed at the richness of the collection and good humor and helpfulness of the staff, they clearly have great management because despite the real constraints that they are under on a daily basis, I would assume given the staffing constraints, they are ready to help and very, very professional.

Thank you.

>> Thank you.

>> Mayor Leffingwell: Thank you.

So we have health and human services next.

>> Good morning, carlos rivera, health and human services, I want to start off thanking city council for its ongoing support of the health and human services department.

I also want to thank my staff for providing excellence and quality and in the services that we deliver despite the fact that we've been cut over the course the last few years.

A public health department's responsibility is to improve the well-being of our community.

We do that mainly through prevention.

And prevention is an interesting thing because prevention is hard to measure.

So sometimes it's hard to invest in prevention.

I want to present a compelling argument to you guys as to why investing in prevention is important to us.

You know, we can appreciate when 20, 30, 40 individuals die from violence whether it be murder or accidents, but we seem to have a hard time coming to grasp with 2500 individuals dying of a preventable chronic disease.

That's difficult.

The impact of 2500

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individual dying is a drag on our economy, certainly something we need to address.

Again I'm asking for your support in addressing this.

The health and human services department stands ready to address these issues and provide services that will result in higher quality of life if on our residents -- for our residents but of course we need your assistance, in add in addition to the figure that I just gave you, in the past year we provided 439,000 services to our vulnerable population, mainly our mother and our children.

77,799 Individuals provided with basic needs services.

[Reading graphic] I'm not going to read the rest of the list, but i think that you understand that the health and human services is tasked with a huge obligation and again what we're really focusing is the needs of our most vulnerable.

Folks living on the fringes, folks that need additional help in order to get through their day to day challenges and most importantly, again, talking about the future generation of leadership within the city.

We're talking about them having the opportunity to have a better quality of life.

The health and human services department has had a number of accomplishments throughout the course of this past year.

We've reorganized the department with a focus on providing comprehensive services to our community.

We've done that through reorganizing and creating a mat temperaturenal and child, environmental health services division, community services and disease prevention health promotion.

The target or the goal of our reorganization again is to better focus not on delivering services, but on the actual needs of our community.

So not to be so service centered but to be more in touch with the needs of our community.

In order to do that, we're going to have to do a lot more collaborating, not only with our partners, but

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between the subdivisions of the department itself.

We certainly see ourselves as one continuous comprehensive team now.

We've been able to do these things, including contract management, creating a contract management and compliance system at no cost to the city.

We've taken our internal services or internal resources and reallocated them to better provide resources not only to the community but to workforce in general.

Our senior management team is readily engaged, having conversations to make sure there's cross-divisional collaboration.

We have the voice of our employees, all 425 of them heard through an employee advisory committee.

We are emphasizing the use of -- continuous quality improvement to really improve the nature of the business we're involved in.

We're very pleased to announce that we have released our critical health indicators report.

Which you should have received by -- in electronic version.

And we will provide a hard copy for you.

It's an exciting document for those of us who are public health geeks.

It's exciting in that it begins to lay out a common starting point from which to work on.

One of the things that we've had a deficit in is a strategic vision of health for this city.

We've had struggles around where we should be making our investments.

We want to correct that struggle by presenting a series of documents, first the critical health indicators, which is more clinical in nature, but followed up by the community health assessment and then the community health improvement plan.

If we all get on the same page, we should be able to do a better job of providing the services that our community needs.

In addition to that, we also are going to have a much larger or focused expectations of our partners.

The city makes a huge investment in terms of providing services for our community.

We need to make sure that we are leveraging those resources appropriately and that the health and human services department is not trying to be all things to all people, but more focused on its core competencies and

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having our partners fill in where we are weak or where we're not as effective.

Well, I also wants to tell -- want to tell you in public health, we talk a lot about transformation of environments.

And rarely do we achieve transformation.

But I'm very pleased to announce that under wong's leadership, our medical director and health authority, we've actually transformative result in terms of curbing tobacco use.

Any time it's curbed by 3 to 4%, that's an outstanding accomplishment and it's totally due to the efforts of dr. wong and his staff.

That staff is under duress currently, I'll talk to you a little bit more about that.

Threatening things happening nationally that we have to be aware of.

But the community is putting -- community is putting prevention to work.

Our cppw grant, which again was really based on limiting the tobacco use, has resulted in the reduction of smoking rates, it's a nationally recognized model, wong is frequently asked to do speaking on a national stage about austin's accomplishments and austin and travis county's accomplishments and it also has an award winning website.

Once again, I would like to thank everyone that was involved in the completion of the social services r.f.p.

It was certainly a very trying process.

I watched some of it on video.

[Laughter] but I don't envy those individuals, but again in the absence of the strategic vision is very difficult to make major investments.

We're going to correct that for you and hopefully provide you with a framework that will make decisions a little easier.

And again that framework will be more about what the health and human services department does versus what we need to purchase.

We do have some core competencies, some very outstanding strengths, but we can't be all things to all people and we need to

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make concerted investments in areas where that will serve to -- to complement the services that we're providing.

So an environmental -- in environmental health, as you can see from our key performance indicators, we 75 inspections per restaurant, we have about 4500 eateries in the city that are fixed, an additional 1400 mobile eateries, we will not accomplish the state's ideal of 2 with our current it's just impossible.

I want to thank david lopez and his staff.

They do an outstanding job, but again we need some support.

This is an important -- particularly important area, when one considers that every year 71 million americans are -- are exposed or suffer from a food related illness with 3,000 of those americans dying.

Yes, 3,000, it's something that's underappreciated.

Public help in general, again a preventive, how do you measure it?

But as we can tell from just if -- yesterday in mexico city, there was a huge outbreak of food borne illness, 500 folks are sick, including over 200 children.

So again the role of our environmental sanitarians should not be underestimated, indeed they are involved in public safety.

Our disease prevention health promotion area has provided 30,000 vaccinations wong might be able to help me out with this.

But the reason for that is because the new vaccination is a multiple, multiple --

>> yeah, there have been now with more formulations, combine some of these vaccines, these numbers are actually number of shots provided.

So -- but there are a lot of different factors that are affecting this.

>> So you know the reduction in number is not an indication of lower

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performance.

However, you know, the things that I'm more interested in looking at rather than counting number of vaccinations administered, I'm more interested in knowing what percentage of our children are ready to attend school because they are properly immunized.

So that's something that we will be really focusing in.

It's challenging for us to do that because the state doesn't accumulate austin and travis county's data separate.

It's combined with other counties.

In central texas.

Our community services division, and -- was managed to place 450 individuals, take them from homelessness to permanency and placement.

The number did not achieve our established goal, because that number represents the general fund and when we created the 800 -- 808 goal or 808 individuals as a goal, that was a combination of general funding grants.

Again, not truly an in underperformance, but indeed there's more to do to support our homeless population, in fact we are working on better ways to meet the needs of this population by making the services not only more robust but more comprehensive, more on continuous services more less on funding particular agencies to provide a particular service.

[One moment please for change in captioners]

>> it is more based on fact that these are older grants, more well established and while the personal expenses grow and the fringe expectations grow, the grant itself stays stagnant.

I've always had a problem explaining this slide, so I'll ask my chief administrative officer to talk about this slide.

>> Good morning, kim maddox, chief administrative officer.

The cost drivers for the fy '13 budget, there's a reduction in the base budget of \$253,000.

This is a one-time budget appropriation by the council for the austin-travis county integral care substance abuse contract.

And that is being reduced out of the fy '13 forecast budget.

The thing about that is through the r.f.p.

Process, the atcic substance abuse was not awarded a contract, so with the reduction of this funding there is currently no money appropriated in '13 for the substance abuse contract.

We have several additions to the fy '13 forecast.

841,000, This is for the atcic main contract.

And that is the second half, their full funding is 1.67 million.

The council appropriated 841 in march and this is simply the second half of that.

So the main contract will have full funding in fy '13.

The last two are simply the citywide adjustments for wage adjustment and for the increase in insurance costs and those are the major cost drivers and additions and subtractions to our forecast budget.

In focusing in on the horizon issues, I want to tell you department is stretched thin in just about every area imaginable, whether it's , immunizations, tb control, basic needs, food inspections.

We are razor thin.

And we certainly can't do more with what we have.

We've done more internally in the social services strategy, the reformulation of it is what we've done internally.

We'll do a better job of making sure sha we're receiving what we're purchasing through our contract and compliance unit and also retraining of the staff members.

But we also again want to make these services more interconnected and interrelated, which is a problem that we've had in the past.

We've really funded, again purchased services or purchased services from agencies without an understanding of how these services together are going to form the framework of a healthier austin and travis county.

A particular area of concern of mine is youth and family issues.

I want to do a better job or we want to do a better job of providing support services for our mothers and our children.

I don't think that we do a great job with that right now.

We've reduced funding with early learning, certainly providing services for homeless individuals is critical.

No one denies that this is an important area, but we want to prevent the future homeless individuals.

We want to prevent folks from having mental health issues and we want to prevent folks from being exposed to the criminal system.

In order to do that we need to provide better support to the families and we'll do that through a number of ways.

One of the more striking statistics that I've come across is that in austin-travis county, african-american women -- the african-american mortality rate is three times as high as that of hispanics and whites.

That shouldn't be.

We can certainly do a lot more to support our families around this issue.

And we will be doing more to support our families around these issues.

We want to visit families.

We want to be engaged with them in their environment.

It's not enough for us to deliver services and check it off in a contract.

We want to actually get out there in the community and really work with our families.

We have an opportunity to work with travis county where they provide -- 150 to \$200,000 of unexpended interlocal funds if we provide \$250,000, and we can have a child protective services unit devoted to african-american families.

This is important because there are two units already established out of the county, but they deal mainly with hispanic families.

So we want to make sure that there's an equitable distribution of resources and services to all populations.

Of great concern to us is the affordable care act.

Right now the supreme court heard a case regarding the mandatory payor system.

And if the law is struck down, if that portion of the law is struck down, that's the main funding source.

It's going to -- it has the potential, a real potential, to impact our community transformation grant.

And these are the same folks that put together the cppw grant, and that's nine individuals, top-notch individuals, very knowledgeable.

We can't afford to lose those individuals.

So I would just put that on the radar for us to consider.

I've spoken about our grant support, and particularly in and immunizations and tb control.

Tb control is different because we're mandated to do it.

We have a legal obligation do tb control.

We need grant support to the tune of \$273,000 in order to make sure that we were able to keep services at the current level.

As I showed you earlier, we provide almost half a million units of services to w.i.c. families.

W.i.c. families at 13 sites.

In the absence of grant support we'll have to cut those services.

And certainly, you know, it's not ideal given that we're dealing with a population that truly needs us.

We have our public health nurse who was funded through the sustainability fund last year, who is unfund and moving forward.

And this is a position located in our south neighborhood center.

Again, population that has a lot of needs.

This individual not only does screening, but also does a lot of health education.

So she's important to get funded.

Our safe routes to school program is ending, it ends in august.

We don't want to lose the expertise developed by these staff members and we would like to be in a position to keep two of the four staff members.

There's four of them.

One position is vacant because we were anticipating the end of the grant.

Another position is an administrative position.

Then we have two individuals that actually do the service delivery who we would like to keep.

As I've discussed or mentioned a few times already, we're building infrastructure for a comprehensive public health system.

We want to be the department the center of the conversations regarding public health.

Needs of our community.

That doesn't mean we're a service provider.

It means that we're experts in the area and we can provide suggestions and partnerships to better provide for our community.

We also want to make some operational enhancements.

We have individuals that are manned dated to a certain licenses in order to provide services to the city such as nurses, some doctors, environmental health sanitarians.

I'd like to be able to pay for those licenses because since they're providing a needed service to us, why should they pay for the license themselves?

In environmental health operations we would like to hire an individual to do our public information request, which is an area that we get a lot of requests in this area and we're strained.

And then the other items that are in there is the professionalizing of our regulatory staff by providing uniforms.

We're the only regulatory staff that doesn't have uniforms, so we'd like to correct that too.

Our day labor position, we're very pleased to announce that we're making significant progress in our day labor area.

Most of the time we're a national leader in this area, by the way.

We average about 42% of the individuals that come to us are placed with employers.

Last month we hit 70% and i think it's due to our redoubled efforts and we would like to make one of the positions full time, and that will take \$14,000.

The teen pregnancy text line.

That is another grant that will be pared back and it exposes the risk of our teen pregnancy text line.

I've already spoken about the 250,000-dollar contribution to travis county, and the final item that I have is the atcic substance abuse contract.

This is something that was covered in the past through the social services funding.

It is uncovered.

It's \$649,000, which is used to treat substance abuse, detox individuals and have inpatient hospitalizations at -- hospitalization at austin recovery.

It is fully funded, which puts us in a vulnerable position.

And with that I'll conclude my presentation and field any questions.

Oh, one other thing.

I have a gift for you.

Critical health indicators, just in case you want to read them.

And again, we're very excited about the potential of having a common starting point for ourselves and for our partners.

I think it will make a significant distance in our ability to meet the needs of our community.

Thank you.

>> Mayor Leffingwell: I have a question that you may not have the answer today and may not have the time to really go into it, but my question is about the interface between this neighborhood and central health and other health care organizations in our area.

I think the overlap, the division of responsibility and authority is kind of blurry right now.

Least it is to me.

I'm not sure it is.

I think sometime we need to get about really defining that.

And especially since we're potentially beginning a new transition with a medical school and treatment and research facility, increased funding for a lot of health services through central health.

And as you know, we began this transition some time ago, way back in about 2004, when the city actually transferred when the city transferred it to central health and the county transferred two and a half percent of theirs to central health so they could perform most of these functions.

And a little later on we -- just about four years ago, i believe, we did the very difficult process of transferring community clinics to central health.

So at some point I would like to know where are we now?

What's left?

What's your plan for the future?

And how do we make sure that we don't have a lot of duplicate services that we're doing that somebody else is doing too?

>> Well, my immediate response to that would be that there's a huge distinction, and the first distinction is that central health and that the hospitals are engaged primarily in providing clinical health.

Clinical health is treating disease.

Where we're involved in preventing disease, which is public health.

And most folks think when they think health, they immediately think access to care.

And access to care is important.

Visits to the doctor is important, but it only explains 15% of an individual's health.

The other 85% is explained by environmental factors, access to transportation, quality life, quality housing, early learning opportunities, jobs, clothing.

That explains more of our hell -- our healthy environment explains more about our health than access to clinical care and that is one of the huge distinctions.

But I'm also happy to announce that we're drawing closer with on our partners at the hospitals and also at health district by doing collaborative -- providing opportunities for collaborative approaches to meeting the needs of our community, in particular we're working on a new delivery vehicle for --

>> Mayor Leffingwell: Let me interrupt you.

I think what you're saying is you deal with well people and somebody else deals with sick people?

>> No.

We prevent disease.

>> Mayor Leffingwell: That's what I mean.

You prevent disease.

You have well people that you're trying to prevent from getting sick.

>> No.

Well, again, it's hard to measure prevention because the person wasn't sick to begin with.

So I suppose on some level what you're saying is correct, but we don't go to restaurants with the expectation of being sick, but we could have -- we could become sick.

So we're preventing folks from exposure to disease.

>> Mayor Leffingwell: I think that's definitely something where the city and county have a function that's really -- is really pretty clear that we should be doing things, like inspections of restaurants and so forth.

I think it's not so clear that we should be providing public health nurses in facilities around the city if they're there to diagnose sickness when they could -- we also have this overlap, central lap has a number of community clinics also around the city and they're expanding in a as well.

That's the kind of thing I'm talking about.

I'm not talking about the traditional things like inspecting restaurants and other -- things that are obviously aimed at preventive care.

>> Well, once again, we're assuming that the individual can get to the clinics.

Our nurses go to where the population needs it most.

And the other thing is that if you ask community care are they able to meet their patient load, they're going to tell you that they're stressed.

So again, we provide a unique service in that we go with the population needs us most.

And we also have focal populations that we work with.

We want to partner with integral care -- not integral care.

The health district --

>> Mayor Leffingwell: Central health.

>> Central health district.

I'm working on it.

>> Mayor Leffingwell: They change fairly often.

>> Every piece of assistance is greatly appreciated.

>> Mayor Leffingwell: Yeah.

I just think at some point we've got to get some clear definitions to make sure that again we're not duplicating what they're doing.

We may be able to do it better in some instances, but the question is should they be improving their service instead of us overlapping it to make sure there aren't gaps.

Mayor pro tem?

>> Cole: Is there a particular segment of the community that you focus on?

For example, 0 to 30% of mfi, generally that you're serving?

>> We want to refocus our efforts around vulnerable populations.

That's what we want.

We're moving steadily towards that.

And we want to have a more concerted effort around the needs of our families, particularly mothers and children.

Right now we do provide a variety of services to the community at large.

And again, that's not to say it's wrong, but it's just to say it's not necessarily strategic because we have such a watered down and diffused approach to what we do that we're not able to move indicators.

We want to move health indicators.

>> Cole: I guess I'm trying to drive at a follow-up to the questions that the mayor was asking.

Do you know what population that central health primarily serves?

>> Well, I know that they're moving towards a medical whole model.

They're trying to be the provider of first resort to individuals that live in their communities.

I don't know what the general makeup is other than they're poor or poorer than the average client.

>> Cole: I guess the only thing I would add is that i think it's very important, especially over the history that the mayor has laid out, that we have collaboration and not duplicative work being done.

And I know that we tend to focus a lot on the vulnerable population in the homeless community, which is a subpopulation of the vulnerable community and includes mental health issues and

alcoholism and youth that have been thrown out of their homes because of their sexual orientation.

And I think we should continue to do that.

So what I'm really looking for is for you to go back and make some research -- do some research and make some calls with central health and also the county and integral care and help us think about the potential collaboration that could emerge not only with what we are doing now, but some of their plans.

>> Absolutely.

>> Cole: Okay.

>> And we are engaged in some joint planning with them at this point, but yes, I agree.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Thank you, mayor.

Carlos, I want to thank you for articulating so many things so well because it really is sort of a big comprehensive perspective that we need to understand, that the community needs to understand about why it's wise to invest our dollars in what we do.

And particularly with regard to setting priorities and identifying who does what, that's really one of the greatest frustrations, i think, that came out of the process that we had that became clear very early on that we didn't have a concept in place in this community that said who's responsible for what and therefore what are our priorities for our funding.

And exactly what the mayor and mayor pro tem are talking about are what we ran into.

We didn't know where the gaps were.

We didn't know where the redundancies were and we can't optimize the use of our very precious dollars unless we ensure that everybody is doing maximum effectiveness with their funding.

And I know you're focused on helping us move through that.

Certainly through the community action network.

Because it's not just our great governmental partners here, but we have major funders that are not governmental entities, like david's and united way and things like that, and that is part of -- I know you're working with the folks through community action network.

And we're making some good progress on that.

So the next time we go through this we're going to be able to be much more strategic about our funding.

And it's absolutely critical that we get it all set.

This is a great report.

We got it by email yesterday.

And I had a chance to look through it and I urge everybody to at least scan through it because it's interesting because i think -- I think I knew -- i thought I knew and probably did know fundamentally a lot of what was said here, but to put it all in one picture -- and you can just read the pictures.

You don't have to read the words.

[Laughter] for those of you that are challenged.

Kidding.

No, I mean, it's -- it paints a stark picture about the disparities in health in our community by various demographic breakdowns, in particular with regard to the african-american population in our community.

It is striking.

Chart of a chart you see way above everybody else the line for african-americans.

I appreciate your targeted efforts there.

With regard to the unmet needs, what's the bottom line dollar?

Did you add them up?

>> 1.6 Million.

>> Morrison: The bottom line dollar for the total of all the unmet need requests.

>> 2.1.

>> Morrison: And one thing that jumped out at me was on slide number 152 when you're talking about the break down, so we serve -- your department, our department serves travis county, all of travis county.

How is it decided how the funding is divided between travis county and the city of austin?

Because I noticed travis county -- I think it said 3.2 million.

And 58% of our 60 million is our general fund, so I'm counting that to be about 36 million.

So we're putting in 10 times as much as travis county.

How is that delineation figured out?

>> Well, we agreed -- that was -- I had the same question when I first arrived.

I think I have a general understanding of it and certainly kim with assist me.

We don't provide every service that we provide to austin, to the county.

So there are particular things that we're purchasing.

And this is a plan thing in that sherri fleming, the director over there, and i have sat down and we've committed to using our resources to cover the whole county.

So we do like mainly environmental services and immunization, teen pregnancy prevention to name a few.

We provide those services to the county, but not the whole continuum.

It's not to say that if residents from the county or residents from outside of austin come into austin and ask for our services, we would provide it anyway, but I don't know if you want to add to that, kim.

>> In the services we do provide in the public health interlocal are based on the health side by a population per capita.

So we get the demographer's per capita numbers every year and have a cost model that feeds in to come up with the amount that the county contributes every year based on a per capita rating.

>> Morrison: Okay.

Thanks.

And then one other question on the funding.

You mentioned the safe routes to school grant is ending and the need to really continue that good work.

You also -- another element of public health is our transportation department and the ability to walk safely to school because then you will be getting exercise.

Has there been any discussion with the transportation department about maybe absorbing some of that cost?

>> Well, we've had conversations, especially through the imagine austin plan.

We've had opportunities to really talk about the infrastructure needs of our community.

We haven't reached any commitments, but we all agree that there are certain areas of our city that need improvement.

For example, dove springs where there's one particular area where they built the low income housing and there's like 200 kids that walk to school around a blind curve with no sidewalk.

We have to do better than that.

We're providing equity in opportunities for exercise, not only for those of us who live at the core of austin, but those in the extremities, but those living in the more vulnerable impoverished areas, that they have an area to walk and cycle and do the same things that the rest of us do.

So we've had those conversations.

>> Morrison: So what I'm suggesting specifically with regard to this \$143,000 that we talk specifically with the transportation department about seeing if they can absorb that within some functions and funding areas that they have in the city.

Thank you.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I wanted to also thank you for your broad words and perspective on this, on these issues.

I think that was helpful to contextualize some of the unmet needs that you've identified here.

Could you walk us through again the environmental health operations, the \$107,000?

I caught -- I think i understood that part of it is for uniforms and then part of it is for public information specialists, but I'm not sure if I had that -- if I captured all the information.

amount includes one at the time, which would be for the public information request responses, which the volume is quite high in that particular area at this point.

There are also monies for uniforms for the san tarrian field staff going out into the community and doing the regulatory functions.

And there are other things such as the cell phone stipend for the field staff out in the field and need to be in communication with the office or in other situations as they're in the field all day.

>> How does that break down?

And if you need to get it to us after, that's fine.

>> The cell phone stipend is \$8,500.

The uniforms is \$25,000.

And 73,000 for the position.

>> Tovo: Do you get assistance right now from corporate pio in handling your responses or do those need to be handled by --

>> those are handled in-house, inside the department.

>> Tovo: So I was -- i support the comments you made about the need for more focus on youth and family issues.

And in particular you talked about the cut or the decrease.

I think I understood this correctly, the decrease in funding for early learning opportunities.

I wondered if you could tell us a little bit about that?

>> An unintended consequence was that it was a 50% cut in the amount of funds available for early learning.

So I think the numbers were from -- I want to say from 400,000 -- from 800,000 to 400,000.

Again, the cut was unintended because we were focused on basic needs.

And we didn't consider early learning a basic need.

So that's a primary issue with that.

>> Tovo: So that is not an unmet need, and I agree that was a very critical unmet need.

That is not an unmet need that's called out in this budget request.

>> Well, you know, we're in the process of rebuilding or creating an add less is sent health division and we hope to focus in on the needs of the population through that effort and get some grant funding in.

We want to make sure that we're doing our due diligence before we ask the taxpayers to also pitch in and help us out with this issue.

But we're not quite there yet.

But it's an important need for us.

>> Tovo: Okay.

And especially since the public health nurse appears on here and there's a little bit of discussion about whether or not we're duplicating services.

I thought it would be very useful for you to talk us through what a public health nurse does and the value in terms of preventive care especially.

>> Again, the focus is completely on prevention.

So immunizations is a way to prevent disease, whether it be done with children or whether it's adults.

Education is a core component of what we do.

And we're not only doing education at the neighborhood center, we also do a lot of presentations at community fairs and at school settings.

And this particular nurse is well respected and much appreciated by our school settings.

So it will be a tremendous loss.

But you know, there's a huge distinction, a huge divide between what a clinical nurse does and what our public health nurse does.

She might be engaged also in detecting disease, preventing disease, provide advice to teens regarding sexually transmitted disease and teen pregnancy issues.

>> Tovo: Thank you for providing those additional details.

So this is a nurse who is not in a traditional clinic, where somebody like the health district's clinics where a family has proactively gone to seek care.

This is somebody who is out, as you said I think earlier, where the community is and really meeting people where they are at different festivals and nonmedical settings to provide that kind of information.

>> Yes.

>> Tovo: That seems to be an additional critical need.

I appreciate you raising it.

And I think that's all I've got.

Thanks.

>> Mayor Leffingwell: Councilmember Riley.

>> Riley: I just want to start with picking up on the questions that Laura was asking about the safe route to school program.

You talked about service delivery in that area.

Would you expect they would be working on similar issues in the future if we're able to keep them?

>> Yes.

Since they've developed a body of expertise, we want to have a more focused approach.

The way the grant operated was that we worked at 10 schools every year over the course of six years -- five?

I think it's five or six years.

And we want to work on one or two schools and just get it absolutely correct and really engage that community and having like walking school buses, having kids use bicycles and properly -- have their bicycles prepared for the riding, wear helmets, all these things.

>> Riley: Okay.

I appreciate your interest in maintaining those services.

And I definitely -- I agree that that's something we ought to try and do.

I'm not sure that transportation is necessarily the place that it ought to land.

Currently our neighborhood connectivity division does a lot of work on sidewalks and bike-pedestrian connectivity and that group is within public works and not transportation.

That could be a good fit for them.

I hope you will give thought to the best home for that.

A couple of times you made reference to ongoing collaborative work with regional partners about a new service delivery model.

Could you elaborate on that?

>> Yeah.

Again, historically we've provided funding to our partners without the expectation that they not only partner with us, but partner with each other.

And to provide, again, a continuum of service, a more comprehensive approach to the work they do.

So that's an expectation that we've built into our performance measures that not only should -- let's say, for example, homeless provider provide case management services or placement services, but when they need behavior health services that they'll be able to turn to a behavioral health entity that we also contract with and ask and seek support from that area.

And in addition to that, we're also trying to align ourselves more closely with the county's health and human services department to provide, for example, neighborhood services in a more comprehensive fashion.

We have our centers, they have their centers and we don't do a lot of collaboration between the two.

We want to place some of the county providers in some of our buildings and vice versa.

So they already allow us space in some of their buildings, so we want to return the favor and again provide more resources in that fashion so we don't have to bear the whole cost ourselves.

>> Riley: Yesterday I had the opportunity to attend a meeting of a group organized by judge o'hengar through a justice assistance grant and it involves all the partners who ought to be at the table from the county and central health to atcic and everybody else.

Is that part of the ongoing work that you're referring to?

>> I'm not sure of that particular project, but we do interface with the county commissioners' court.

Do you know about that?

>> I know some of the partners with the project include some of the people you just mentioned.

>> Riley: It's a -- it's an impressive effort to identify all the subs out there involving people with behavioral issues and identifying the best way to meet their needs.

I'll -- I appreciate the staff's ongoing involvement in that and I look forward to the products of their work.

I think it will help address a lot of the issues that you've identified here today.

And I just wanted to touch on one of them.

On page 153 under the cost drivers, we talked about a 253,000-dollar reduction in the atcic substance abuse contract.

I just wanted to ask -- well, first, how that relates to the last item over on page 156 where we also again mentioned the atcic substance abuse contract, but there the number is 649,000.

Can you help meed in the numbers there?

>> Yes, sir.

The 639 is the analyzed number.

The 253 is being reduced out of the forecast budget, is the one time funding that council gave to create an entire year's funding for 12.

So that's coming out.

The remainder of that 649 historically was in the social services money, but did not award a contract to atcic substance abuse, then that money is out in the other contracts in the r.f.p.

So the net result in fy '13 is \$649,000 not being funded to the substance abuse contract.

>> Riley: Is that the samso grant?

>> Yes.

>> Riley: As I understand it, the county and atcic are still participating, they're still providing that, still participating in that program.

But the city at this point is not?

>> No.

The samso?

Yes, the county provides funding and atcic is the fiduciary.

>> Riley: And I have heard some interest in the city participating in that.

Is part of the reason why it didn't make the -- not in current budget is that there's no federal match on that?

Is that part of the reason why it didn't make the cut?

>> I don't believe so.

You know, it was just -- from my understanding the behavioral health component was separated from the , and it was supposed to be funded separately and then it just didn't happen for whatever reason.

That's my understanding of it.

>> I think that's correct, councilmember.

If you recall, the item did surface up at the time before the awards were being made and there was some consideration of some extra dollars that were on the table.

And as you recall as well, we were pretty challenged, council as a whole and staff, in terms of how to fund all sorts of needs and services out there and different programs.

And this one just didn't rise up there.

And what came to council in terms of funding was the 6, because that was really the most immediate need to make sure that we funded the rest of the fiscal year because we had half of it and that's the 1.6.

We had half of it in the base budget, but we didn't have the other half.

So that part of it came through with the full funding, but this was one of those that did not get the funding sorted with it.

-- Associated with it.

>> Morrison: If I could jump in here.

>> Mayor Leffingwell: Are you through, councilmember riley.

>> Riley: I would like to follow up with one last question after laura.

>> Morrison: I do want to add --

>> Mayor Leffingwell: Councilmember morrison.

Adam bennett I wanted to --

>> Morrison: I wanted to add to the explanation.

And that is that it came down to the scoring of each of the proposals and the scoring was set up that the highest priority of the basic need and lower priorities for things like prevention and transition out of poverty and things like that.

That's why early childhood fell out.

And then the second part that was really driving the scoring was you could get additional points for a secondary goal if you were collaborating with other folks in different agencies and things like that.

So when you have a program like substance abuse come in that's a stand alone program, that's not a basic needs program, those programs did not end up above the line.

So it's the scoring fundamental.

And I think that what carlos was talking about in terms of let's figure out what our real priorities really should be within the context of the whole community, we're going to be able to be a lot more sophisticated about that next time.

>> Mayor Leffingwell: And actually, if I may, I want to follow up and reinforce what you just said, because there's a history here and sometimes when that history is forgotten we start circling back and get back to where we started.

A few years ago in partnership with health and human services contracts with travis county and the united way, and several years ago united way made the decision that they were going to back away from basic needs and they were going to focus on these other functions.

So at the same time both travis county and the city of austin says okay, you're going to focus on that.

We're going to focus on basic needs.

And so now I see that there was a lot of work and a lot of, frankly, controversy over several years on the council's public health and human services committee to try to put this new format in place.

And what I see is it's beginning to creep back again because we've forgotten our history on this issue.

And that's -- it's not a question.

I just wanted to make that comment about to council.

>> Morrison: So the point that it's time to sit down and -- which is what we're doing -- with all of our partners and say where are we on this?

And if we need to shift some of those things, but we'll get it clear.

We'll get it documented and we'll act on it.

>> Mayor Leffingwell: Exactly.

We need to be working with our partners on this and that was one of the things that was brought out when that happened about four, five years ago.

United way made that decision in a vacuum.

We didn't know -- they made it in the middle of a budget year, as a matter of fact.

Nobody was talking to each other.

And I just want to know are you talking to other people right now when you make these kinds of decisions.

>> Well, we are speaking to other folks.

And in fact, there's some individuals that are a little bit uncomfortable with our message.

We're trying to standardize the language.

When we talk about the needs and like, for example, the social services, human services area, we're really talking about public health services.

Some folks are uncomfortable with that language because they feel that if he's talking about public health and not talking about human services, then we're not going to get funded.

And indeed that is going to be the result because right now we're funding so many things that we don't have enough in any one area to achieve what we intended and that was the improve of the public's health.

>> Mayor Leffingwell: That will be exacerbated if you're not talking to the other local funding agencies.

We literally had to pull money out of a hat to fund the salvation army about five years ago when that funding was pulled by one of our partners.

And I just hate to see us get back into that kind of situation where we're all making decisions based on what we think and not based on what we're collectively -- what our collective strategy is.

>> Morrison: And what -- i just want to point out that at the community action network, where all these partners are, one of the top work items for the year is number one to get that common language because what we found when we were doing is we can really even compare what the county was doing specifically to what kind of programs we are -- because we didn't have the language for the cat goreization, so to get that language and to move on and get that framework where we're all figured out.

And I know carlos and the assistant city manager are all involved in that.

>> That's correct.

And even prior to carlos' arrival and thatbert can talk with it some and we were working with council's committee and we were working on a process to allocate those dollars, we certainly at the staff level had a conversation about how to create the proper and comprehensive context within which to have that conversation so you would know that you were in fact making strategic decisions.

Time was short, as you will recall, so we didn't really get into it in a substantive way that we should have, but I think it was understood by everyone that it was important to do that, it was important to develop that common language, common vocabulary that going forward we would have that broader context in which to make the decisions.

I think that's what carlos has been trying to describe here today.

I think since he's been here he's worked hard at establishing the relationships with the various related other agencies.

And those lines of communications are really open.

In fact, we can't get to what I just characterized without serious and close relationships with those other health organizations.

So we're very much committed to that.

We don't want to repeat stuff from the past.

Certainly those things that weren't very effective and didn't result in the kind of outcomes that I know that this council is interested in.

And in fact, we need to be accountable and responsible for out there in the community and those that we serve.

So we're very focused on that.

We appreciate the council's focus on that.

I'm hearing that today as well.

So I think together us working with you and our other providers, I think we can get to where we need to be.

>> Mayor Leffingwell: Back to you.

>> Riley: I appreciate all the ongoing work.

We all want a clear understanding of where responsibilities lie so that we can make thoughtful and strategic decisions about where our funding goes.

But as with any transition there is a risk that if we're not acting in sync with our partners, there may be gaps through which people can fall.

We need to be very mindful of that.

And if it's the case that we need to step up and cover some funding for this -- for transition time at least, then I would definitely be supportive of that.

The issues that we're talking about are very serious issues, substance abuse and mental health.

And if we don't address those in a timely and effective way, not only are there real human costs, but there will be very real economic costs that we will face as a community.

We need to be very careful as we make any transition toward new funding enlargements.

>> I couldn't agree with you more.

We'll be making the decisions with the best data available to us.

And the community assessment plan involves all these partners.

They will have a voice through that plan.

We won't make decisions in isolation.

We want to be mindful and thoughtful, absolutely true.

>> Spelman: Mayor?

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Thank you, sir.

I want to be sure i understand the sequence of events that lead to the production of a community health improvement plan.

Let me back up.

When is the expected time of arrival for that plan?

>> The end of this year.

>> Spelman: Okay.

And by community health, is that going to include social services stuff?

Is that all going to be embedded in the same document?

>> Absolutely.

>> Spelman: So in order to get to that you need a community health assessment, is that accurate?

>> Yes.

>> Spelman: And the first stage of producing that was this indicator's report that we just got yesterday.

>> Yes.

The community health assessment has got solid public health groundings where the critical health indicators is a clinical look at our health.

What's killing us, what's making us sick.

>> Spelman: Okay.

Help meed in the difference between the two in this context.

I understand this is the mmwr for the city of austin basically.

What's going to be -- how is community health assessment going to differ?

>> Well, the critical health indicators is based on a secondary data draw.

So data available from the state, from the federal level and from the local level, whereas the community health improvement plan has a series of a lot partners involved in it.

It has seton hospital, st.

David's foundation, travis county, health district, ourselves.

The school of public health.

A number of partners all that are central providers or have a central stake in our health.

>> Spelman: That's the assessment or the improvement plan?

>> That's the community health assessment.

The health improvement plan is a part of the health assessment and it will have the same partner group.

>> Spelman: Okay.

So this is the raw data.

Then you get a whole bunch of people in the room together, look at the raw data and come up with a slightly broader brush.

Here's where we need to go from here.

>> We also did interviews and community based forums.

And also doing focus groups.

So we have a multimodal, a mixed method approach to this work.

>> Spelman: I very much like the approach you mentioned a few minutes ago about wanting to move indicators.

And the general idea of identifying -- let's see if I have all the pieces to this.

We have some particularly severe problems and others that may not be quite so severe.

So you want to focus more attention on the most severe of our problems.

For each of those problems we've got more vulnerable populations and less vulnerable populations and so you want to focus more attention on the most vulnerable populations.

You mentioned leverage.

And so we're going to be able to get a little bit more help from our associates in some ways than in others.

That's an important consideration.

And it seems that there's one other thing which I'm sure is not left out, but hasn't been mentioned yet, and that is the effectiveness of the program or service that actually moving the vulnerable population to improve on the most severe problems.

I wonder if you could talk about that.

How do you know what actually works and what doesn't work so well?

>> There's a rich body of national best practices which we're endeavoring to bring to austin and have our community benefit from.

That's one of the areas partnering with our academic institutions.

It certainly important to us because that's where the best practice has come from, talking through the national association of county and city health officials, the american public health association, those boys that oversee or do a lot of collaboration.

We're trying to use every resource at our disposal to make sure that we're getting it right.

The contract compliance unit is going to be an important factor in terms of making sure that we're getting what we purchased.

And beyond that the expertise of the program staff, making sure that not only are we getting what we purchased, but what we purchased makes sense and makes a difference.

The only thing that I would add to the occasion is that we want a robust return on investment.

So you will get that with working with the populations most at risk if we keep one child from dying or one infant from dying if we keep one kid from taking the wrong path, someone from suffering, then the return is much greater.

>> Spelman: Right.

There's two pieces then.

There is the evidence-based practice, best practices stuff.

Which tells you what you want somebody to do.

And then there's what our compliance staff do, which is to be sure they're actually doing what they said they were going to do.

So we pick the right theories and make sure they're implementing them properly.

>> Yes.

Pell spell and the theory selection or the evidence-based practice stuff is going to be part of the community health assessment.

Are we actually going to get into that level of detail?

>> Well, we're going to come with our partners and talk about how best to address the issues.

So yes, that language would be incorporated.

We would make those decisions at that level.

>> Spelman: Okay.

So the entire community that you're discussing, all of our partners get together and at the level of detail of selecting program modalities, we would identify we need somebody to do this very specific thing.

We need somebody to do that very specific thing.

And not just we want to spend a bunch of money on substance abuse.

We have a sense for what actually works with substance abuse, so you can be more targeted and specific in the future than we have in our past r.f.p.'s.

>> The questions would be who is doing it.

Are they doing it well and how can we improve that by partnering.

Because together we have a lot of resources at our disposal, more so than individually.

>> Spelman: It seems to me that there's two classes of changes in our -- partly in what we always referred to as the social science r.f.p.

Process, but more generally in the procurement process for getting our partners to do what we need done.

One of them is we're thinking more seriously about what specifically needs to be done -- generally what needs to be done, which indicators can we move and which ones are we going to agree to select for us and what is the county going to do and so on.

But more specifically we're also drilling down to the next level of detail and saying here's how we want to accomplish moving this indicator.

And that's going to require a rather dramatic change in process if it seems to me from even the , which was itself a dramatic change from previous r.f.p.'s.

So it looks like we're still doing going to be in a lot of movement over the next year when can we expect to see that level in the detail change in the r.f.p.

Process?

Will it happen this year or next year?

>> We'll be prepared for the next cycle of awards.

>> Spelman: The next cycle will be two years?

>> Just to remind you, councilmember, these contracts that we awarded effective april the 1st were three year contracts.

What we committed to do is to have all of this work and all of this data and come to you with a more strategic approach in time before we even get to -- well in advance before we get to the next stage of contracts.

>> Spelman: So --

>> two and a half years.

>> Spelman: That's when the next r.f.p. goes out.

It seems to me we need to have a lot of detail in about a year and a half so that our potential contractors can get themselves ready to perhaps do something a little bit different than they've been doing in the past.

Is that accurate?

>> Yes.

>> Spelman: About a year and a half from now?

>> Absolutely.

We're very excited about the prospects.

>> Spelman: Me too.

Thank you very much.

>> Mayor Leffingwell: Okay.

Thank you very much.

Housing and community development.

>> Good morning.

I'm Betsy Spencer, director of neighborhood housing and community development.

It's an honor to be here this morning to present to you our financial forecast for the department.

As many of you know, housing is a challenge right now based on need and funding.

So we are pleased to try to tell you our story today.

First I'd like to take a few moments to talk to you about some of the accomplishments of the department.

We have spent the last two years working very hard on some very basic foundation operational changes to make our operations more efficient and effective for the folks that we serve.

Several of our horizon issues.

One has been it was identified several years ago, even before the federal government started cutting our funds, that there would be a need for additional funding, the need for affordable housing and community development is always greater than the resources.

So we actively started looking for different grant opportunities that we could to broaden our base of services.

Last year we submitted six different grant applications and we were successful in receiving three of those.

One of them the lead hazard reduction grant program, one we just received the individual development account program.

And the other one the sustainability grant planning project for colony park.

All of those -- we have taken on all of those initiatives without having any additional staff.

So we've worked very hard to maintain the staff that we have and take on these additional initiatives.

In addition another opportunity that we were able to secure with the Austin water utility, they've had a private lateral program in existence for awhile that had not gotten off the ground.

So we worked with them this last year.

Their biggest challenge was they don't do income eligibility.

And it is what we do all day long.

So we have a pilot project with them and we just started a couple of months ago.

Obviously there's always challenges with a new project.

And so -- but we are currently in the process of -- we have several projects that we hope to replace the laterals on in the next few weeks.

So that's been a huge initiative that we're very proud of and should be able to drive not only health and safety issues with the broken laterals, but we use it in concert with our other programs.

So if we're rehabbing a house and it also has a broken lateral, we can replace the lateral at the same time we're renovating the house.

Another accomplishment that we've been working hard on is increased technology.

As a department we have operated -- in not the most efficient way as far as technology is concerned.

So two years ago we identified a need for a computer-based system, and so we have -- we will be the first department that will utilize amanda five -- I'm sorry, I'm not clicking -- for our case management within the department.

So in addition to working on the amanda five, we have re-engineered the way in which we will deliver services.

Instead of having one employee work on one program, we actually have one employee that will operate or work on several different programs.

In addition to that we've also worked on a single application for clients.

In the past we had a different application for each different program.

So now we will have a consolidated application for all of our services.

Again, income eligibility tends to be the same.

There are different program nuances, but we will have a single point of contact and an application for people to apply.

And hopefully in the very near future we'll have an online application process as well.

So the amanda process working closely with ctm, which we hope to roll out in october of this year, will help us provide far more efficient service for our clients.

Two other things that we did this last year, historically we were -- because of purchasing, we were procuring each of our rehab projects individually.

Last year we did what we call a master solicitation list.

We solicited for small business, general contractors, locally owned businesses to do all of our work and be on a rotation list.

So we did that last year.

We have several general contractors.

They're all minority owned women or small businesses here locally.

And so we have a rotation list.

We don't have to spend three months to procure a project.

We can assign them job by job for all of the programs that we offer in-house.

So we don't have -- so it's an opportunity for the small businesses to grow.

They have a secure job base.

And we have a much more efficient way of assigning our jobs.

In addition to that we also took on -- we utilized now the rs means.

It's a specification software so to where we have a much more consistent way to price our jobs as well as to specify the work.

In the past we were using different systems to specify our jobs.

This is a much more consistent method.

So these are some technology items that we have done this last two years to make our work more efficient.

And then investing in the workforce.

What we realized was that we had employees that needed a wide variety of training.

Some of which was actually in regulatory and compliance.

As the keepers of federal funds it's incredibly important that all of our employees are fully versed on regulations that come along with that.

So the last two years we spent a lot of effort getting our folks retrained on the regulations that go along with the home and cdbg.

So we actually put people on a bus and sent them to san antonio in large groups to get them trained.

We had training here.

We also used webinars.

Hud now is very -- a lot more sophisticated in they're training and they're doing a lot of training in webinars.

We have a conference room and we'll set up in there and get everyone trained.

We spent a lot of time training folks the last couple of years.

And tracking that training.

We weren't tracking that real well in departments.

So now we track the training that everyone has received to ensure that folks are getting the training that they need.

We also set up a regulatory office.

We've always monitored, but we didn't have a specific office in the office for monitoring and regulatory oversight.

We have a regulatory office.

It's incredibly important that we segregate the compliance and monitoring piece from the administration and when you get out the funds you don't want the same people monitoring.

So we have a regulatory office in the department now so we can ensure that separation.

Another major accomplishment, obviously of the department, and many, many people, is a success of the general obligation bond program.

We've said these numbers many times.

To date we have expended 53 million.

By August we should -- we will probably expend the entire 55 million.

In just shy of five years.

We've served -- we've created almost 2500 units.

We have leveraging numbers and we have job creation numbers on here.

Probably in the very near future you will see some data that's a little bit different.

Housing works employed an economic analysis, so their numbers are actually better than this, but since it's not been published we couldn't put them on here.

We've leveraged 177 million to date and probably created about 1500 jobs.

That is at a bare minimum.

This has been a wildly successful program and so clearly our department having administered it without -- we didn't use any of these funds for our own staff.

So our staff absorbed the costs to administer the program.

This is important for folks to know.

[One moment, please, for change in captioners] .. over the last five years, they don't have a dashboard that went back this far for us, 94% of the persons served are about 50% or below of mfi, 66% of minority, the program has leveraged almost \$38 million.

Last year our annual performance highlights, our goal last year was to serve a little shy of 8,000 households.

1 Unfortunately we met the goal that we achieve with 6600, that is specifically due to a parking lot.

We were -- we had plans to do a parking lot, community parking lot in the 11th and 12th street corridor, we were successful in completing the parking lot.

There were folks in the neighborhood that didn't want the parking lot and then the design standards we had to ask for some waivers that we couldn't meet.

So we were successful in creating the community parking lot in the 11th to 12th street corridor, that's why that number is short.

This year our goal is 7500 families, the reason the number is less than last year.

We have done some consolidating of programs.

Historically, our architectural barrier removal program used to only provide \$5,000 worth of assistance per family per year, but we were going into the same households year after year after year, so we decided that maybe we would just go there once and do it once and do it right.

So we went from 5,000 to 15,000 in that though obviously we could serve fewer families.

So that number was part of the reduction.

So with the go repair.

When we first projected for go repair, it was going to be \$5,000 a house.

We worked with building inspectors, they suggested that we pull building permit, which was a very good thing that increased the costs.

We moved that from 5,000 to 10,000.

Then our smart housing numbers, there has not been as much production, so the smart housing numbers are less, that's the rope for the numbers being slightly less than the year before.

The results of our citizen survey.

There were two questions asked.

One was your satisfaction with the visibilities of affordable housing.

The availability of affordable housing.

About a third of the respondents were satisfied or neutral, about two-thirds were not.

I'm going to take that as an indication we have a huge need for affordable housing.

The second one was the city's efforts to offer literacy and home buyer education.

Financial literacy.

I'm 40 were satisfied, 60 were not.

We offer financial literacy and home buyer education through our department and other subrecipients, I'm going to take this as we need to do a better job in making sure that folks know what we have to offer.

Our new sources of funds for this fiscal year.

You will see that we have about \$9 million of home and cdbg.

If the sustainability funds are at level funding, that's a little over 3 million.

The housing trust fund is estimated to be just about 600,000.

And we have an unmet need of about 3 million.

Just so you know, if we looked at this picture last year, our annual budget was about 23 million.

Without the unmet needs, being met, we're only at 12.8 million.

We have lost between expending all of the go bonds and the loss of federal income, roughly \$10 million.

This slide shows you how we use the funds.

15% For community development, which is public service and economic development.

8% For debt service.

That's our section 108.

And then 10% for grants administration.

That's the actual administration that we can use to administer the home and cdbg, support services is roughly 17%.

And then half the money goes to direct service.

We put this slide -- we were asked to do a one year history and we did two.

Because I think that our story actually starts two years ago.

And that's where we started to really see significant cuts in our entitlement funds.

So you can look at this chart two years ago, we got \$8.2 million of cdbg.

This year we're expected to get 6.7.

Two years ago, we had an allocation of 4.5 million.

This year it's 2.4.

We're showing sustainability -- what we got last year, 3.1.

Of this all leads to an unmet need of roughly \$3 million.

Which is a combination of the loss of grant funds and increased demands on the department.

So this shows you our unmet need request.

9 million obviously is a federal fund reduction.

We've also -- we have a need for -- for two of our current employees to be funded locally, they are doing so much work on local initiatives, they are current employees.

This is not a request for new employees.

These are current employees that they are spending so much of their time to local initiatives that they -- we really need these positions to be funded locally.

The urban renewal agency administrative and property expense.

Historically when we first started that, there were maintenance expenses that we charged to the cdbg, it's not an eligible expense anymore.

So we cannot charge it to community development block grant funds.

So we need to be able to -- this is just the insurance on the property that the urban renewal agency holds.

The legal expenses.

This is just a straight up administrative cost.

We've also got several public and parking facility operations, the bulk of which the main part of this project is the african-american cultural and heritage facility, which is scheduled to open up this summer and so the operations and maintenance on that facility along with several community parking lots in the area, this is the expense.

This does include, this is the only area where we have actually asked.

We have one unfunded vacant in our department.

We gave up all of our vacancies last year except for one.

So in order to -- to adequately maintain the facilities and the public maintenance and facilities, we're asking that the one administrative position that we have be funded in order to do that.

Then affordable housing planning and evaluation.

Next year, will be the beginning of our consolidated planning process.

requires every five years we do a consolidated plan.

So it's due 2014.

We will start in 2013, the first parts of that process is a market study.

We will do a comprehensive market study that feeds that plan.

Then we actually do the comp plan and an analysis of impediments.

The analysis of impediments is the analysis of the area, what are the impediments for this particular community to so those along with one other item we put in this line was the desire to have a computer based system that would house all affordable housing units, so that if folks need to know where an available unit is, that this system would have access to that.

So all of that is in that planning and evaluation need line item.

This shows you the potential program impact to the loss of home funds.

This is not a recommendation.

I don't want you to look at this and think that we have decided where we will take the cuts for the home funds.

This is a straight 39% decrease to the existing programs where they are funded now.

We wanted -- we just needed to demonstrate to you that with the loss of home funds, this is our largest impact to the department and to the community, if we were to divide that reduction, straight across each program, this is roughly the number of households served that would be impacted.

The loss of funds per program.

And that there would roughly be five -- five full-time employees that we would not be able to fund.

And then this -- the second sheet, this is obviously the community development block grant is a - - just shy of 3% decrease, it's 185,000.

Home and cdbg personnel cost drivers, the increased cost of insurance and retirement and stuff, it's just the cost drivers that go with those personnel attached to that.

For a total of 1.9 million.

And then this just shows you the -- the impact of our not having the general obligation bond funds to administer.

This is last year's allocation or this year, this year's allocation, \$6.6 million.

So since we currently have no general obligation funds starting october 1, this is the potential impact to that -- to the effect that we were wildly successful in spending all of the money the first time.

Then we've added this slide, although this presentation is not on capital improvements, we have added this slide to show you, we have actually put in a request for roughly 1.4 million.

The department owns land that we need to develop.

And so this is a request that we have made for predevelopment construction costs.

On some property that we own that we need to develop to increase the housing stock.

And I am available for questions.

>> Mayor Leffingwell: Questions?

Mayor pro tem?

>> Cole: I just had a quick question about astor place, would this be affordable housing, it says single family ownership?

>> Yes, sir.

>> Cole: Okay, thank you, mayor.

>> Mayor Leffingwell: Anything else?

Councilmember riley?

>> Riley: Betsy, on page 170, I want to make sure i understood your description of the item for public and parking facilities operations and maintenance.

You said that's principally for the african-american cultural heritage center.

Operations of that facility and that's expected to open when?

>> Yes.

We expect the building to be substantially complete at the end of june, but i wouldn't expect it to open until probably july.

>> Riley: Of this summer.

>> Yes, this summer, yes, sir.

>> Riley: And -- and so that public facility, what's the -- what's the reference to parking facilities?

>> We have several community parking spaces, parking lots in the 11th and 12th street corridor that we have to maintain.

We've actually set a meeting with rob spiller to see if there's an interest in the parking division taking that over.

But as of right now, we've got to cut it and mow it and make sure that it's well maintained.

We also have what we call the pink house on 12th street.

It's a small public facility where currently the anderson cdc operates community services out of.

So the maintenance, operations and maintenance of the pink house, the african-american cultural and heritage facilities and the parking lots are included in that cost here.

>> Riley: That's a lot packed into that \$220,000.

>> Yes.

>> Riley: Okay, thanks.

>> Mayor Leffingwell: Councilmember spelman?

>> Spelman: Thank you, mayor.

A lot of what you are doing is what you are talking about here is the stuff that you've been doing for a long time.

You'll be able to do a lot less of it because the federal grants are drying up and because we don't have the go bonds to spend.

Although I suspect that source at least will come back very shortly.

The bonds were extremely popular the last time we put them out and I think the next time we put out an affordable housing bond is going to be just as popular if not more so.

But one of the things that you're talking about doing here is very different from what you have done in the past.

I wonder if you could talk about for jim, the individual development [indiscernible] for a quarter mill.

Could you talk about that?

>> Absolutely.

One of the divisions of the department is to expand our housing counseling and financial empowerment and literacy opportunities that we can offer.

We have several individuals in the department that are housing counselors.

And so it is our intention to apply to become a certified housing counseling agency.

In that we will be able to offer a variety of counseling services.

One of which we just grant, individual development account grant, which is a program that encourages savings.

It's a match program, 3 to 1 for every dollar that the individual contributes, the program will contribute \$3.

They can utilize the savings account to either purchase a home, start a small business or go back to school.

It can be a trade school.

It doesn't have to be a four-year university.

It can be any kind of trade school that they want.

And so we just have gotten that grant.

So we're going to start that program.

It goes along with our entire mission of community development.

Building housing units is a wonderful thing, but community development is much broader than just building units.

And so financial literacy for all kinds of people.

Often we focus on low income folks, but actually when you look at it, still one of the number one barriers to home ownership is credit.

So in the financial literacy, it's credit counseling, financial literacy, budgeting, it's the very basic skill.

It's incredibly important for folks to be able to live within their means.

So whether you make \$10 an hour, \$50 an hour, or \$200 an hour, being able to live within your means is a huge asset.

Was that funny?

>> Spelman: Well, I can only wonder what kind of lifestyle you must have to be supporting if you have trouble living within your means at \$200 an hour.

I would love to have that problem at some point.

But I don't think that it's likely to happen.

>> So financial -- excuse me?

>> [Indiscernible]

>> so this is an opportunity in the department that we want to grow as a service.

>> Terrific.

This is not something that we have done very much of before.

This is -- this is -- i agree with you this is something we ought to be thinking about.

My friend walter morrow in foundation communities is celebrated as a provider of affordable housing in part because mixed with that affordable housing is a lot of financial empowerment activity.

Helping people to do their taxes, having a similar savings program as we're talking about here, so on.

What would be the next logical step if we wanted to pursue this from your point of view?

If we wanted to do financial empowerment, think of this as being something we ought to be spending more time thinking about or doing more of.

Is that something which we ought to be thinking about for the next budget or is this something that is a longer term prospect?

>> Oh, my first thought was going to be more money.

Looking for more money.

>> Spelman: Budget presentation, right.

>> If we have more money we can do more stuff.

I wasn't looking at you guys, I'm always looking to writing another grant, we need more money, another grant.

>> Spelman: I understand.

>> We are looking for the resources obviously because as my assistant director always says, what we talk about is what we do.

If we talk about it, then we'll do it.

And so that's where I really want to start the conversation.

Yes, you're right, foundations community has been very successful in their ida program for their clients.

We've had conversations with them, they've been very helpful to us.

It's expanding that conversation.

And it's expanding that conversation so that folks -- we have lost a lot of folks have not been taught how to save.

It's a very fundamental quality I think that some of us who were raised on that savings is an incredibly important thing, we are a very instant society, we want it on plastic, we don't want to wait.

Going back to very basic fundamentals if you save for three months as opposed to going someplace and paying 25% interest so you can have it right now, those basic fundamentals of how much you can save in the cost of things by saving on the front end.

We just want to have those conversations broadly with folks of all income levels to see how they can utilize their money better.

>> One -- one thing that dove tailed nicely with is the activity that the council has pursued with respect to pay day lending where people are not getting money at 25%, they're getting money at 400% interest and everything is insanely more expensive than it otherwise would be.

>> I just wants to add, you know, to dove tail on what betsy is saying.

One of the things that we are doing on a regular basis as we see not just our federal resources decreasing, but also the climate changing.

When you look at community development services and housing services, the department is serving a need and those needs assessments are done annually and certainly through the five-year consolidated plan period.

We obviously create our environmental scan of opportunities and initiatives for grant funding, and other funding opportunities.

To coincide with that.

So the thing that I would want you to know is that the department is and has been strategic in the funding that we're going after.

We do not have an internal grant writer.

But we do have a team of people who scan on a regular basis every grant opportunity out there that coincides with what we do.

And so -- so another direct response is we have added financial empowerment to that roughly six item list of grants that we're looking at all the time.

So we're aware as those are happening on line through multiple sources.

>> Spelman: Thank you for doing that, I very much appreciate it.

>> Morrison: In terms of the appreciate everything, that's really a challenging environment and landscape.

In terms of the financial empowerment, is that something that we provide as a city, the services directly, or are we using those funds and allocating themselves to other owing ago -- them to other agencies that do that.

>> For this we will administer the program internally.

>> Morrison: So we actually have people that can provide those services, do the credit counseling and have things like that internally.

>> Yes, uh-huh, we have three individuals.

>> Morrison: Right.

I know your friends that you mentioned, walter morrow has his eye on yet another competitive grant and i believe he's been -- it's an application that has to come from a mayor's office, i know that he's been in touch with our mayor to make sure that we get something, a competitive option in there.

I am a little bit confused about slides number 167 and 168.

I think that -- I think that nhcd probably has -- that's the breakdown of where the money comes from, where it goes.

I think nhcd has maybe some of the most complicated funding in and out and maybe we could go offline and talk about this.

>> Uh-huh.

>> Morrison: But I'm not even quite sure the minus sign where it says homes cdbg.

>> None of those are minuses.

The -- the dash, none of those are supposed to be minuses.

>> Morrison: That helps a lot.

That was very confusing to me.

>> None of those are minuses, sorry, that's a hash mark coming down.

>> Morrison: So we will still looking at 9 million at home and cdbg, that wasn't a difference.

>> That's correct.

>> Morrison: That helps a lot.

>> The difference is in this chart shows you the loss in the last two years.

>> Morrison: I was surprised in 169 bringing that up in terms of the past two years, unmet needs, you are suggesting that none of our -- none of our needs in the department went unmet over the past two years.

Did we really meet all of the needs that were raised?

>> Not at all.

No.

This is -- this is just our request to -- no.

The needs are --

>> I just wanted to point out that you probably had unmet needs left over.

>> Yes.

This is just to make the department whole.

And the funds that we have lost.

And the added responsibilities that have come our way.

>> Okay.

And then I just wants to comment, I appreciate the numbers on -- on the impact and outcomes of the affordable housing bonds because I know that there's going to be a lot of interest in how effective we've been with our taxpayer dollars when the voters decided to approve that because we're about to be probably asking voters to do that again.

So I'm -- I'll be looking forward to the more in-depth reports, too, because they have been I think really, really well managed to be able to maximize the use of them.

So thank you for your work, and bert, thank you, you've been sitting there all morning long with all of these great departments.

Thank you.

>> They do a lot of great work.

>> Yeah.

>> Thank you.

>> Thank you.

>> Mayor Leffingwell: So i don't know if we have time to work another department in here?

So -- that gives us 15 minutes.

Think you can get it in, watershed?

Okay.

>> [Indiscernible]

>> good morning.

Mayor, council and city manager, I'm victoria li, department director watershed protection department.

With me our financial manager anita lopez gonzalez, our department's mission is to protect people's lives and property and the environment by controlling flood erosion and water quality.

I'm here two provide an overview of our department's fiscal year 2013 financial forecast.

First I would like to show you some significant projects we have completed.

2010 Tropical storm herman blew through austin and deeply eroded parts of the bank of walnut creek.

The erosion exposed a utility manhole, ripped out fences and threatened trees.

Our stream bank restoration team designed the project and our field operation crews completed the work.

The [indiscernible] McDAN -- LUNDELIUS-McDANIELS WATER Quality pond is austin's newest pond.

This pond removes trash, sediments, pollutants for from 142 acres of subdivisions.

After flowing into a creek, water travels to the dry fork sink hole and enters into the edward's aquifer.

Hours later the water from this pond resurfaces at barton springs, our beloved swimming hole.

recently announced a push to increase green infrastructure nationwide.

Austin was selected as one of the 10 model cities that use green infrastructure and THE LUNDELIUS-McDANIELS to kick off the green infrastructure initiative.

In 2011, we completed two low water crossing upgrades, thaxton road and culvert bridge.

Both of these projects flooded with 10 year or higher storm events.

Both of these projects were a result of the regional storm water management program, we call it rsmp.

The county cost participated there our smp fee and watershed use our smp for culver bridge.

These structures now comply with our drainage criteria manual.

Education and outreach initiatives provide us bigger bang for the buck.

The watershed protection department has a number of education and outreach initiatives.

Some highlights include earth camp and earth school reached 5700, that is almost all, of the aisd sixth graders.

Award winning turn around don't drown outreach program.

We have included information about the danger of low-water crossings in the city's defensive driving classes.

We are diligently working with the state organizations to include same information in the state defensive driving classes.

Scoop the poop and its partners distributed 5 million [indiscernible] trash travels austin's anti-litter outreach launched a new campaign with advertising on buses.

Fiscal year 2011 marked the 10 year anniversary of council's unanimous adoption of the master plan.

This study examined the 17 watersheds in the city of austin to determine where the most severe problems were.

Austin has over 60 watersheds.

Over the last 10 years, we have protected our community by building flood walls, regional storm water, detention ponds, [indiscernible], biofiltration and sedimentation ponds and rain gardens, we have bought homes in floodplains and lands that will help protect our water quality and much more.

In a quick summary, we spent 248 million in improved flood protection for 625 structures, brought out 350 homes, stabilized 24,300 feet of stream channel, completed 25 water quality ponds and rain gardens and acquired over 3,000-acres of land and rights to over 8,000-acres for water quality protection.

This slide offers some additional highlights of the department's fiscal year 2011 achievements.

Due to the dry weather, we were able to install or replace over 21,000 feet of storm drain pipe.

We picked up 200-tons of trash from ladybird lake, maintained and cleaned 87 miles of creeks.

We assessed the condition of about 8 miles of pipeline with [indiscernible] inspection.

Our value engineering team also continued to ensure that we get the most bang for the buck with our c.i.p.

Projects.

We identified over one million in potential c.i.p.

Cost savings last year.

In fiscal year 2011, 60% of surveyed residents responded that they were satisfied or very satisfied with the city's overall management of storm water runoff.

Austin has historically scored higher than the national average for cities with populations greater than 250,000.

This slide provides an overview of the increases to the fiscal year 2013 budget.

We have worked very hard to ke management -- [indiscernible] 70% of the increase is for drainage utility transfer to c.i.p.

Even though we have made significant progress in addressing the needs identified in the master plan, we still have very much work to do.

So for fiscal year 2013, there is no new f.t.e.

Requested.

We have included the baseline increases for health insurance, wage adjustment and et cetera.

We have also increased the drainage utilities transfer program by 5 million to further support public/private partnership as well as city-wide priorities.

Considering the immense watershed infrastructure needs, council reviewed and approved an increase of 60 cents per year for continuously five year starting in fiscal year 2010.

However, we did not increase fees for 2011 or 2012 considering the economic downturn.

For the next five years, we are proposing to resume the fee increases.

60 Cents for fiscal year 13, one dollar increase for year '14 and 60 cents increase for years '15 and 16 and 30 cents for year 17.

These are critical for the department to continue funding of its operations in c.i.p. projects.

Since fiscal year '13 will be the final year of '06 bond program appropriations.

The issues that will impact the department's long-term operations have stayed consistent over the past several years.

We know that more than 140 miles of the city's storm drain infrastructure is more than 60 years old.

We have directed additional resources to our tv inspection program so that we can better assist the condition of the infrastructure and prioritize the projects accordingly.

The watershed master plan said that the department's priorities -- sets the department's priorities with the policy of addressing the worst problem areas first.

We continue our best management practice of strategic partnerships to help meet department mission needs as well as city-wide priorities.

We have and continue to look for public/private partnerships and cost sharing opportunities.

With continued population increase, we struggle to maintain austin's water quality.

The good news is that our long-term monitoring data, indicates that the quality of austin's streams and lakes has been maintained or is improving.

In january of 2011, council requested that staff develop a new ordinance to increase creek and floodplain protection, prevent unsustainable public expense of drainage systems, simplify development regulations where possible, and minimize the impact on the ability to develop land.

The department's work on the new ordinance will be critical to the city's efforts to prevent future watershed problems.

And the effort is the first of its kind since the comprehensive watershed ordinance was passed in 1986.

The drainage fund, both the department's operating programs and the c.i.p.

Projects, capital projects currently underway or planned for the near future are similar to the completed projects that I mentioned earlier.

Such as stream bank restorations, floodplain buyouts and low-water crossing upgrades.

In 2013 we also plan to complete construction of the repair of the old lampasas dam, which was damaged in tropical storm herman.

And as you know, the waller creek tunnel project is progressing on time and within budget.

The waller is our flagship project.

It is a project that will not only bring flood protection, reduce erosion and improve water quality, but also makes way for the revitalization of 11% of downtown.

It is also a project that reflects terrific cooperation between department, watershed, public works who is managing the project and also the parks department.

We are currently developing a plan and budget for additional staff and equipment after the tunnel is completed in late 2014.

Watershed engineers will be participating in the operation and maintenance manual development as well as the facilities start-up and commissioning process.

And there will be a tour for PRESS MAY 19th.

So this concludes my presentation.

>> Mayor Leffingwell: Thank you.

And congratulations for not having any unmet needs.

[Laughter] I think you're the first department.

[Laughter] any questions?

Thank you, we'll look forward to -- to hearing some more perhaps on may 19th about the waller creek project.

That's exciting for us all.

Thank you.

>> Thank you.

>> Mayor Leffingwell: So, council, we are in recess until after lunch.

I think 1:30?

What time?

0

>> Mayor Leffingwell: Okay.

Let's make it -- let's make it -- let's make it 1:15.

[Rumbling] Announcer: What if a disaster strikes without warning?

I would like to call to meeting, the austin city council.

We completed the watershed protection presentation.

And next we'll hear from animal services.

You ready?

>> Good afternoon.

I'm abigail smith, chief animal services officer for the city of austin.

I'm here to talk about the office budget and give you little updates.

First, I'd like to recap for you what our office does.

We provide animal protection, field services, those are our animal protection officers out enforcing local laws and ordinances.

We also provide outreach education and prevention services.

So we spend a lot of time trying to teach, teach folks how to best care for their animal, and help keep the animals in the home.

We also do a ton of work with spa and neuter.

Prevention is the most important parts of any comprehensive animal services program.

We provide animal care, shelter medicine, and behavioral program to set each and every animal that comes into our shelter up for a live outcome.

We provide adoption.

We assist the public when they need our help and we are the authority for our region.

All of this work is supported by nearly 100 staff members.

350 Active volunteer, more than 100 foster homes, and more than 100 partner groups that help us achieve our outcomes.

All of this is pretty typical of most municipal shelters.

But what is not typical is the -- is all of the support that animal services has from the city of austin from the top down.

I don't know any other shelter in the country that has achieved the success that austin has achieved.

Or achieved success in quite the same way.

So, for your leadership and for setting us up for success, i thank you.

And I also want to let you know that that's the reason I'm here.

No kill is what I do.

I've been working in shelters for more than a decade.

And I had the privilege of working in top kins county in new york where my last year there, we celebrated ten years of no-kill success.

That is -- that's a trail-blazing model and I'm also privileged to be able to be here in the first municipal shelter to achieve the same success.

And I'm confident that austin, too, will celebrate ten years of no-kill success as we go forward.

So, we're about halfway through our third year of the implementation plan.

And we have experienced tremendous growth and tremendous change.

That's everything from staffing to policies to trying to change public perception and to engage in the entire community in what we're doing.

One of the most obvious changes is our move to the new shelter.

The new facility has 5,000 square feet more than the alamo center does and most of the extra space is dedicated to providing better health for the animals we serve.

We have expanded veterinary facilities and more housing for animals that are going in and out of surgery.

It's by in large, a much cleaner, much healthier environment for the animals and that has certainly contributed to our success.

Last month, we celebrated 14 months in a row of achieving 90% of better live outcomes for our animals.

That is unprecedented.

And I hope that this entire community is extremely proud of that.

We achieved in two years from a 67% live outcome rate up to a 91% live outcome rate.

And, I again, that's unprecedented.

One of the biggest ways that we did that was to focus in on and improve our adoption rate.

We improved things like return to owner.

We're working on a pet campaign to help ups get better than that.

But facilitating the adoptions is the single biggest area where we've been able to improve the live outcome rate.

In order to do that, that 20% increase is reflective of all of the programs and services that prepare the animals for adoption.

That increase, those animals two years ago wouldn't have made it out alive.

But today they do.

Again, a big part of the success is the expansion in veterinary medicine.

The new facility has digital x-ray and lots of supportive diagnostic tools to be able to treat the animals that come to us.

If an animal arrives broken in some way, we'll fix him.

One of the things that -- can we go back one second.

One of the things that I want to take the opportunity to explain here is that saving -- the difference in saving 60% of the abmalls and saving over 90% of the animals isn't obviously volume.

But it is also an expensive comprehension.

The costs of saving the animals that weren't going to be saved elsewhere or weren't saved in the past is exponential in saving an animal that comes in healthy and goes out the door.

An animal coming through the shelter, for example, would cost \$100 to get out of the front door, that last 30% are five times that expensive.

They require surgeries and diagnostics and all kinds of other supportive programs and care.

So it's -- that last 10%, 20% is going to be the challenge we have to maintain.

So no-kill success, being successful at no kill really at the end of the day, besides being compassionate for animals and caring about what you do is about flow.

So one of our key indicators here, performance measures, talk about how many animals are coming into the shelter, and how many animals are going out.

What percentage of those animals that come in are going out.

So over -- over time, you can see that we've -- we have certainly focused on trying to reduce shelter intake.

One of the concerns that I think we -- I have, certainly, that -- is that I don't know -- I don't expect that we're going to be able to see that shelter intake continue to decrease.

Certainly, it's a goal.

And we put a lot of effort in doing prevention programs to prevent unwanted litters and such, and to help people keep animals in the home.

But austin and travis county are growing.

And when people move here, they move here with their pets.

And the more animals in our community, the more likely it is that they'll be coming through the shelter system at some point in their life.

So I think our challenge here is going to be to stay at a manageable level for the capacity that we have short term.

But I think we need to expect that intake is going to grow a bit.

Certainly it fluctuates.

We looked at 11 years of data.

It goes up and down.

The high point was 27,000 animals through the shelter system.

And last year was one of the lowest.

Already this year, we're on point to exceed last year's intake by probably 3,000 animals.

The data that we analyzed is pretty accurate.

And I think we need to be prepared for that.

But at the same time, we need to compensate on the other side of the flow.

So if we've got, you know, between 20,000 and 23,000 animals coming in, we need to get more than 25,000 animals out.

That's where we'll be focusing much of our work.

This is just a recap of where we're spending our money.

The bulk of our budget is for taking care of the animals while they're in the shelter.

I think we'll be attempting in the years to come to focus as much or more on prevention.

I think really that's what's going to help us with the intake issue over time.

But right now, taking care of the animals while they're in our care is the most critical piece of what we do.

So, I think there really is just one major horizon issue.

That is how do we keep doing what we're doing.

We're -- we'll be facing growth.

We know that.

We are already operating at over capacity levels every single day.

There -- the solutions are -- we're going to have to start to think outside of the box.

So, in reducing intake, I think we focus on continuing our prevention efforts and doing as much education and outreach as we can.

Increasing live outcomes, increasing -- live outcomes are about looking at every individual animal and doing the very best that you can for that animal.

Every single one, every single time.

And as we are able to grow our programs, we probably can do more.

And I think that -- that that is completely achievable.

But before we're going to get there, we really need to look at our capacity issues.

So right now there are 23 more dogs at our shelter in east austin than we have kennel space for.

There are 55 dogs over at the old town lake animal center that we're caring for in addition to the ones that are there with our license agreement.

There are 200 plus animals in foster care.

In total, we have almost 900 animals in inventory.

That's not -- that's a lot of animal, but that's not particularly extraordinary.

And I think we need to begin to how we're going to accommodate that level today and into the -- to the foreseeable future.

So, one of the things we did, of course, was to grow our foster family.

And we didn't have 200 animals in foster care last year at this time.

So we're making progress, but there needs to be continued growth.

Aside from that, I think that we need to -- we need to grow.

And some of the things that we're working on that we're focusing on right now is how can we do that?

Where can we do that?

Where does it make the most sense to do that?

And so we're working with a county to talk about the opportunities there might be in our partnership of travis county.

You know?

Could we put adoption sites around in other areas?

Again, it comes back to flow.

We need those animals to get adopted.

For them to get adopted, withe need to put them in front of people.

And short of being able to triple the amount of people that go shopping at the austin animal center, we need to put those animals out in to the community.

So there's probably some really good opportunity with the county.

We're also in conversations with the city of lakeway.

They do their own animal control, but rely on the city of austin for housing their sheltered animals that they can't return them to their owners or find a rescue group to take them.

So in making that partnership more equitable, we're also exploring what can we do to build a shelter in that community and then the animals will flow from austin to lakeway instead of lakeway to austin, which seems to make a lot of sense to me.

>> Show the unmet needs we asked for for next year really are all about people.

We've got the programs, we've got the tools, we've got the facility.

But we need people.

So the first and foremost, we really need to compliment our existing veterinary staff.

I want to remind you that our shelter basically runs 24/7.

Animals need medical care when they need medical care.

They don't care if it's a holiday.

So we staff veterinary services seven days a week.

And the first request is to take a halftime vet and make her fulltime.

And then to increase the temp budget, those are contract veterinarians that work one or two days a week for us and are on call.

They cover holiday, weekends, sometimes.

But we absolutely need to have the veterinary support to take care of the animals when they come in.

The other -- the next unmet need is about continuing to operate our overflow at town lake.

I don't think any of us thought that we would have moved back in to the extent that we have.

But every kennel that we have over there is full.

We -- we've hired temporary staff to help us run it.

But we're going to do -- we have to do adoptions out of there and we have to care for the animals that are there every day.

So the operations -- until we can expand our adoption capacity elsewhere, I think it's going to be critical for us to maintain those kennels and to staff them.

The behavior program is a big part of our success, but it's just that, the behavior program.

We continue to develop the program and be managing that.

We have a support staff that have a team of two every day that will help evaluate animal, help to create programs for rehabilitating animals and to keep it flowing on a -- on a seven-day-a-week program.

And that will be a comprehensive approach that I think will be best to our no-kill objective.

The other two are staffing the new facility.

We have ten stations that are full every day to accommodate our clients.

So our guests come in.

It's a pretty big campus.

What we'd like to be able to do is to do ten adoptions at once and work on lost and found programs.

Handle the intake and the counseling when people show up at our door with the animals.

We have people on staff for temps, we need them for daily operations.

It's our request for making it permanent.

Folks help us take care of the animals in the kennel.

We have 5,000 more square feet to clean.

And we have systems that are -- they're very comprehensive, but they're not -- they're not more efficient to the -- to the point where we need fewer staff.

That request is to get operational levels even for us.

The last request is administrative surpt, animal services office has the same responsibilities as most other departments and we have one administrative support person.

And this is about being able to put the work in in contract management and to grants.

Withe think some of the growth need to come from grants.

We've gotten the grants this year to help us with the id pet campaign.

I would like to focus on that and grow the revenue stream but we'll need the support to get the grants and then to manage them.

And those are all of the unmet need requests I have.

Just eight.

Just eight.

>> A great job.

I love how you said no kill is what I do.

That was wonderful.

I have one question, is there any particular thing that you associate the success with?

Because I know we didn't think it would -- we'd have that type of increase in no kill that fast.

>> It's hard to pinpoint one thing.

I think that the implementation plan that was passed really was a very comprehensive approach.

And it looked at, you know, how can you keep animals out of the shelter to begin with?

How can you get animals through the shelter system quickly?

And how can you do it more comprehensively?

But definitely, the increase in adoptions really has a lot to do with us being able to prepare the animals for adoption rather than euthanize them.

So that veterinary piece, that's a huge piece of the success.

>> Great job.

Any questions, colleagues?

Councilmember riley?

>> Riley: Thanks for the presentation and all you're doing.

Congratulations on the continued success on no kill.

I wanted to ask about something that you mentioned earlier in your presentation about the horizon issues.

You mentioned that currently at the betty duncan campus, we had 23 more dogs than it was built to hold?

>> Yes, we're over capacity by 23.

By the hour and --

>> so what's happening with the 23 dogs?

>> So, what happens is, they get put -- these animals get put in places where they don't belong.

I don't mean housing that's inhumane and inappropriate, but I mean not in the public eye.

So we have a quarantine count, for example, that is meant to hold animals that are being quarantined.

We sectioned off half of it for that purpose, which we have to do as the rabies authority.

But we stashed a bunch of animals in the other half.

That's on lockdown so people can't see them.

So it slows down our flow when we have to hide animals in holding, pre and post-op holding, quarantine, it eliminates our ability to take the needs through the back door.

We had something happen today and we had 50 animals that need to come in, we'd be in trouble.

>> When I look at the request for unmet needs, trying to identify what if anything on that list would help to address that capacity issue, is there anything that on that list that would -- would lead to a different report next year?

>> I think the -- I put veterinary support as the top one.

Because that's what allows us to get animals treated and prepared for adoption.

We can't leave without a spa or neuter surgery.

And that will help us with flow a little bit.

I think maintaining town lake and being able to do as many adoptions out of there as possible is going to help with flow.

It will be critical.

I would prioritize those as the biggest ones.

>> Riley: When you see --

>> -- sort of building a brand new adoption center.

>> Riley: I wonder about that when I see the horizon issue as increasing capacity, does that encompass additional kennels and what would that take?

>> You know, we thought about that.

I think the best approach to our community would be to put adoption centers elsewhere.

We're not centrally located and I think we're -- we'll need to spend more time to have better data.

But our traffic flow, the flow of people through there i believe has changed a bit.

So putting adoption -- animals up for adoption in north, west, south austin in addition to east austin, I think it's the best approach to increasing the flow out.

>> Riley: And would any items on your list of unmet needs, would they move us in that direction?

Of being able to establish --

>> administrative support would allow me to spend more time on that.

>> Riley: Let's see, which item would that be?

>> Number eight.

>> Riley: The business process consultant.

For you, you opted to devote more time to establishing adoption centers.

When you talked about the remote adoption centers, you're not thinking about actual capital improvements.

You're talking about -- are you talking about temporary adoption services?

Or are you -- you are -- or you're thinking actual capital improvements.

>> We need permanent structures where it's reliable if you're looking for a pet, you can go here and you can have a variety of pets to choose from.

What I found in my experience is that when you -- when you do offsite adoptions randomly, i want's not effective.

In other words, we can put together a whole group of people that take a bunch of animals to this festival or that parade and get exposure, but it's not the same as opening a shop, so to speak, where people know to go and it reese liable they'll find what they're looking for there.

What worked for me in new york, for example, is I opened a store at the mall -- at the mall.

We had kittens and rabbits and little small cudlies.

And I had a -- we had a very challenging issue with adopting cats out.

And our shelter was sort of remote -- it was a destination.

It wasn't next door to the grocery store you went to.

You had to decide you were going to the shelter and go there.

You didn't happen upon it.

When you put animals in front of people and they became used to having them there, they sort of flew off of the shelf more quickly, if you will.

So literally, I opened a retail store at the mall and we adopted in the first year over 1,000 cats and kittens over there, which is a huge percentage for us.

>> Riley: If I could just probably clarify just to make sure what abigail is clear when she says capital, she's talking about a physical location versus festivals or events where you would just take the animal, be there -- take the animals and be there maybe once or twice.

What she's talking about is a physical location as like a mall or a retail center, not capital as in we have to invest a lot of money to build it.

It could be a store front, it could be because if you recall, in the -- in the implementation plan, it did call for offsite adoption locations and what abigail is presenting is the ability to expand that and put more animals in high-traffic areas, have it to be in a set location that all of us would be accustomed, citizens would be accustomed to knowing where that facility is versus having to drive to the animal center where it is right now.

>> And that seems like it's perfectly in line with everything we talked about with the whole no-kill plan from the beginning.

I'm just not sure exactly where the funding for that is going to come from.

I don't see a line item for that on unmet needs.

>> The big picture.

Let's work with our countywide and other partners.

It's in the beginning phases.

We've only been at the new center for six months.

It's become crystal clear that we're going to need more.

So we're beginning that process now.

What is the -- you know, the unmet needs, what will help us today is the funding to keep town lake running as overflow.

That will function as our offsite as to maybe the first of three offsites around the county.

That's what we have for short term solution.

>> You would expect in the coming years that you would identify that as the unmet need and seek something for operations.

Again, it's not something you would expect to see in a bond election, for instance.

Because we're not talking about going it and building stuff, we're talking about occupying existing space, store fronts, small space, whatever.

So that the main costs would be just in operating within that space, is that right?

>> Well, I don't know yet.

I think there's a lot of opportunities for partnerships.

Lakeway is a good one.

What we would have to bring to the table to partner with them in that way, I don't know yet.

I -- it's -- it's hard to say, you know, what's out there when we're just beginning to explore it.

You may have to look at, you know, can we put another adoption site somewhere?

I think the more cost effective way is to -- to find an existing space.

But animal housing is not -- it's more challenging than say opening a satellite office somewhere.

The needs of the animal housing in terms of cleaning and sanitation and h-vac and all of that stuff are pretty specific.

So retrofitting a space is sometimes more expensive, more challenging, can't be done as well as building a simple small retail site for animals that's suitable for them to live in.

I'm not suggesting that in addition though the animal center that we have that we need two or three others just like it.

But I think the facility we have is a good hub of operations where we can do the veterinary care, the quarantine, we can do, you know, the animal protection dispatch and all of that.

I think it can be pretty small adoption sites around -- around the community that wouldn't be anywhere near as expensive.

>> But your office hasn't included anything within the proposals for the upcoming bond election for new physical facilities?

>> Correct.

>> Riley: Okay.

Yes, I looked at -- I was trying to add up all of the numbers i see on the page with the unmet needs.

149 million.

Is that about right?

Now -- now, as we look at that number, is that something that you -- should we get used to having to spend that larger number every year going forward?

Or is this more just a matter of getting past this one hump?

>> I feel pretty confident it's about getting past this one hump.

We are catching up to what our new facility needs, which we didn't know until we moved in and really operated it.

And we are catching up to the -- to the personnel needs of the no-kill plan.

It requires a lot more staff to do all of these programs than to not do them.

And that level of staffing sort of wasn't -- maybe we weren't sure what we would need.

But we -- now that we're 2 1/2 years into this, I want's definitely obvious that we need the people do the programs.

I think that this will catch us up to a level where we'll be able to sustain it.

>> Generally, most of these positions, with the exception of number two, the temporary budget for staff sources, all of the other positions look like permanent fte positions.

>> Yeah.

>> Riley: Those would be on going costs in the coming years.

So we are talking about scaling up the program permanently.

>> Yes.

>> Riley: And -- but once we do that, then -- then do you feel that will put us in the position to deal with the excess of animals we've got now, and to be prepared to handle what you see coming in the future?

>> If we staff up to this level, I feel confident that we can run our operations as they stand today.

>> Riley: But then as we discussed earlier, there well may be a need a few years down the road to establish more remote adoption agencies, either occupying space like a mall or store front or building something new short of what we see?

>> Yes, correct.

>> Riley: Got it.

Thanks very much.

councilmember tovo, you have some questions?

>> Tovo: I do.

Thanks very much for the presentation.

On page 199 where you're talking about the unmet needs, i wondered if you could -- I'm not sure I understand number eight well.

It's listed as consultant in your discussion.

You're talking about having one administrative support for all of animal services.

So is this -- is this contemplated to be a consultant or a permanent staff person?

How does that figure break down?

>> I think that business process consultant is the title that the city has for the person who does this support.

I'm considering administrative support.

It is not actually a consultant.

>> Tovo: Okay.

In your description, it didn't sound like a consultant, but it listed as one.

There's one fte at 103,000?

>> Riley: That's with all of the related benefits and so forth.

>> Tovo: Total cost s?

>> Total cost.

>> Tovo: Right, but the salary is what, would you say?

3/4 Of that?

2/3?

Something like that?

So it's a \$70,000-ish position?

>> That's about right.

About right.

>> Tovo: And I'd like to better understand the relationship with lakeway.

I didn't follow all of the details about our relationship with lakeway.

>> Lakeway is an incorporated municipality.

They provide their own animal control.

They have a really strong program with trained officers, actual police officers, that do animal control for the city.

They have built a sort of ad hoc shelter off of the back of one of the public works building.

I visited that.

It's got three runs and a space to put a few cat cub byes.

Lakeway doesn't have an overwhelming animal problem.

When I ran the numbers, it's maybe just under 300 animals a year that go through the system that have to come to austin.

And that's in addition to the animals that are surrendered to the city shelter from lakeway residence, it's not all coming through animal control.

What they're looking at doing is building a new police department and what they'd like to do adjacent to the police department is put a proper animal shelter next to it.

And they're interested in partnering with us to make it a more expanded so it also serves their community as an adoption site.

>> Tovo: I see.

So when they are -- when -- is there any -- let's see, does lakeway provide any financial support to austin for the animals that come in to care here from lakeway?

>> No, there's not a formal interlocal agreement.

This practice of lakeway animals coming to us when we have nowhere to go is something that appears to have been happening for quite a while.

And that's where the conversation began with -- between me and the city.

So this was a -- they understand that that's not a sustainable model.

And so we wanted to work together to try to make it appropriate.

>> Tovo: So it sounds like an ongoing relationship and it's somewhat formalized and when they have animals that they need that come into them through surrender or through animal control efforts, they bring them to austin, austin uses its resources to find homes for them?

Or otherwise care for them?

And -- and then -- I'm looking at my colleagues, probably know why I'm exploring this angle which is that it's very much on all of our minds these days what our relationships are with some of the outlying areas and the kind of city services that come through the general fund.

We have two support -- support our communities outside of the austin -- nonaustin areas that are within austin energy service area.

>> Councilmember, it's safe to say that we recognize that we had an issue there that we needed to have an interlocal agreement.

The conversation blossomed to what they're looking at for specific need for animal, animal control services and the feature is for the new facility that they're building.

So we recognize that is very much a need where they could easily maintain the animals that are coming to austin for adoption at that site and possibly even more animals that we could potentially take from here.

So that conversation got initiated because we recognized the flow was coming in.

So we need to correct that or figure a way to solve that.

So we're doing that in cooperation with them as much as possible.

Because we understand that we have a need and we're certainly available to -- because I think as abby gael noted earlier, this is more as a community, it encompasses a lot of other areas in the county and even the conversation we've been having with the county, they have a need to look at it from a regional perspective.

It's not just about the city in austin, it's the opportunity and what we can do to work toward the no-kill initiative.

>> Tovo: To be clear, it's about 300.

That doesn't count animals surrendered to the city of austin to lakeway?

>> It does include it.

>> Tovo: Got you.

>> Sort of on annual basis that comes through.

When I visited, there was one animal in their shelter.

They don't have a lot of volume.

I think the opportunity for us in the city of austin, we could fill that shelter up and move animals through.

They wouldn't necessarily come from lakeway.

We provide services all around them through the county and our local.

So it's a good fit and a great opportunity, I think.

>> Tovo: Great that you're exploring that avenue.

>> I would like to clarify the city of lakeway offered to host our event but we invited all of the nine service areas for austin energy.

That is not necessarily true and as a matter of fact I don't think it's true that most of the people who are really concerned with the rates that we charged outside rate payers come from the city of lakeway.

And also that they are represented in all of the service areas.

And the mayor of lakeway was hospitable to us and all of the councilmembers.

So I'm glad you're exploring this interlocal agreement.

It really is a testament to us recognizing that we are not a collection of service areas, but we really are reaching in that collaboration would be a good idea for all of us.

Councilmember morrison?

>> Morrison: I think, abigail, you mentioned that this council has stood up to support the staff has done an amazing job.

But also referencing the 100 community part nurse and the 350 volunteers, I want's really clearly a community achievement that we made it 14 months, but sustaining it is the huge issue.

I want to ask not about lakeway and their animals, but what about all of the other end tips in travis county that are incorporated, I guess, the other small towns.

Do any of them -- are we -- do any of them have animal services, per se?

Or are we serving all of them?

Or is --

>> some of them do have their own animal services and do have a shelter.

I'm hearing from several smaller municipalities, incorporated municipalities within the counties that are looking for opportunities to partner with us.

I think it's challenging for them to not provide services when all around them lots of services are being provided.

So I've heard from several mayors about what could we do.

And it's sort of an overall conversation happening about how can we collaborate.

And we may find ourselves with several interlocal agreements in addition to the one that serves the unincorporated areas of the county.

>> I think that's clearly the future here.

We talk about wood sheds and watersheds.

Animals don't know about what city they're in and they're going to be crossing and it's definitely a regional problem.

So I appreciate that.

Really to harken back to our health and human services discussion, carlos was talking about we need to focus in on where we need to move the needle and put our money there and move the needle.

That's what we've done here.

We've moved the need until this town in a way that we can be very proud of.

But, it's never going to be free.

So I appreciate you being realistic about -- about the needs to be able to maintain that.

And I think it's an issue that is more general that when we have a new facility, it comes along -- we invest our bond money, and it comes along with additional operation and maintenance like the library, the new library.

It brings me to the general question for the city manager.

I haven't been through development of a major bond package before on the council.

That was in 2006.

As we go through and look at the different potential projects, does it come along with an estimate of what kind of additional o&m we will need to be realistic about if we go with the certain turnaround?

>> I believe it does.

Is that correct?

They're saying yes.

That needs to be part of the decision-making process i imagine, yeah.

Appreciate that.

So question about -- all the way back on 198 when you're talking about the horizon issue for the sustaining our live outcome goal for animals, the very first one, reducing intake.

You said, we're just going to have more animals.

Withe have to be realistic about that.

Because we're growing as a community.

I would think that the idea would be to eventually with our spa-neuter program, to get ahead of the game a little bit and actually be able to reduce intake or the intake level off.

Is there a model that suggests that?

Because certainly investing in spa or neutering is the whole plan?

>> Absolutely.

I think we're doing the model.

I think where I illustrate some concern was that while we reduced from 23,000, 25,000 down to 19 or 20, that, I think, is the new -- I don't think we're going to see it incrementally keep going down.

That's going to be a threshold.

In order to stay at that while the community continues to grow, you need to be all over the prevention programs consistently forever.

If we do that, we can probably find a balance where 20,000 is where we're going to rest.

But it will take maintenance and that prevention stuff to keep going.

I think I just don't think we're going to see this -- for the size community that we are and that we serve, I don't believe we're going to see 15,000 intakes.

>> I guess one question that would help me understand is how many of the animals coming to our shelter that are newborn or relatively newborn, which is what you might be able to shift the numbers on.

>> That's what we did shift last year.

It went down quite a bit, we saw many fewer kittens and puppies come in.

This year, however, we're already triple the numbers.

And that is, you know, with a whole other year under our belt of doing the prevention program.

So when you look at the data.

I'm happy to -- I have an illustration I'm happy to send you.

You look at it, you see trends.

You see overwhelming kitten seasons, for example, and you see seasons like last year that were completely manageable.

All of my colleagues across the country acknowledge that it's hard to predict what kitten season will be like, even as many of us have been doing prevention programs for decades.

I don't -- I want's not -- there's so many factors evolved, whether it's weather or in the northeast, how bad was the winter, it's impossible to predict or sustain any level with all of the other factors.

I think we're doing everything right.

>> Can you show me roughly the 20,000 animals that entered the shelter that came in?

Was it half newborn and half --

>> no, the issues that we're facing today is dogs that are adult.

Medium to large size.

One year old and older coming to the shelter.

We've got hundreds more year-to-date than we did last year.

And it's -- I don't know why, exactly.

It did coincide with our move, so maybe it will level off as we do more prevention in our neighborhood.

But it's not -- prevention is important, but not our most critical piece in terms of intake.

on pets and keeping the pets in the homes that they belong -- or that they came from.

>> Morrison: I know.

We've seen the studies and it just never occurred to me to think about it in that way.

So I'll look at the breakdown of the numbers.

>> Certainly.

>> Morrison: Two specific questions.

Does the revenue that animal services generate go to the general fund?

>> Yes.

>> Morrison: Okay.

Then lastly, back to the question on number eight, the business process consultant.

The administrative support.

But it sounds at that salary level, asking the same question over again, I think, that salary level is much better than administrative support.

I know people in administrative support that would love to be making \$70,000.

>> It's the division of my office that I consider administrative.

It's really budget support, it's monitoring -- dealing with all of the contracts and grants, fiscal support, management-level support.

>> Morrison: Okay, all right.

That's helpful.

I appreciate that.

Okay, thank you.

Cole: next section.

Austin resource recovery.

Come on up, bob.

>> Bob geddard, austin resource recovery director.

And robert goode, assistant city manager.

We're working and presenting our austin forecast for the austin resource recovery department.

And I would like to start with a good news story.

And the good news story, if i could advance the slide -- there we go.

In 2011, the city manager contracted for a community service survey.

And the results of that survey I'm highlighting the neighborhood services portion of that survey that was presented in november of 2011.

And the 4 -- five services presented on this slide are the services that our department provides on a daily basis.

You'll note the burgandy bars, 2011 versus the previous years in green and blue.

We've increased in our service perception by our customers of satisfaction.

This is high satisfaction of our services.

You'll note that curbside recycling is at 86%.

When I look at best managed city standards for benchmarking, 85% is what my goal is.

In all of our services.

That's -- I look at 75% as the standard goal and 85% as the best managed city standard.

And so I'm at 86% our office, our department at curbside and recycling, you'll notice the white star at 72%.

That's the large city average from this -- from this consulting company and inventory 200 cities.

So you can see we're well above the standard average.

On curbside garbage collection, 85% residential yard waste, 82%.

Bulky items, 74%.

We dipped a little.

We're around 74%, still well above the national average.

But our concern from our residents is that our frequency in front of the neighborhoods is not as frequent as our needs are.

So we're working on identifying some neighborhoods that need more frequent pickup than twice a year.

And that is in our budgetary plan here.

Also, you note on house hold hazardous waste disposal service, 55% satisfaction by our citizens on that service.

The primary -- when this consulting company plotted on the map the results that the respondents and where they lived and how they responded clearly the dissatisfaction is in the northern part of the city.

It clearly identifies what we found in our master plan, stake holder meetings, that we need a service site to collect house hold hazardous waste in the northern part of the city.

That's what that rating is reflecting there.

Moving to our internal survey done in 2011, october.

Large brush pickup, 84% customer satisfaction.

Yard waste, 89, bulk collection, 87.

House hold hazardous waste on b the low side, 67.

That's reconfirming the previous results I just presented to you.

Our horizon issues that could be considered our unmet needs.

We are working a great deal on implementation of our recycling ordinance and working on a second phase of recycling ordinance.

We'll have phase two that will affect restaurants and retail buildings as well as industrial settings.

And with phase one adopted by council, phase two being proposed, that will mean that every building in the city will be required to have recycling services supplied to its tenants.

And that is a staff resource issue, but that is -- we have strongly committed to the recycling ordinance.

Reducing and recycling and tracking waste streams at our city of austin facilities.

This building is under contract for recycling services as well as all of the other city buildings.

We manage that contract.

It used to be a waste hauling contract.

The new renewal of that contract includes recycling services.

We are now working on the tracking building-by-building inventory of recycling levels for each building.

The kenneth gardner service center on todd lane is the main deployment center for all of our crews.

It's well beyond operational capacity.

We've run out of parking for our vehicles as well as our city staff vehicles coming to work and out of office space.

So we are exploring a second service center in the north area of the city in concert with the need for house hold hazardous waste facility up north.

We are working on developing and implementing a storm debris management plan.

We have been very lucky to dodge a few of the recent spring worth experienced.

And what we have for a need is emergency sites for yard trimmings, tree trimmings in a major storm.

We're working hard on identifying a few locations and it means redeploying the resources in an emergency fashion so we're developing an emergency plan there as well.

Beyond this fiscal year, going to fiscal year '13 and beyond, we're working on fuel efficiency as an ongoing basis and converting to c&g and some hybrids, working with hybrids.

Five hydraulics that are in place as 24 c&g trucks and in 2013, we plan on purchasing 24 new c&g trucks.

I mentioned the north fueling need, we lack a fueling station.

The c&t fueling facility at todd lane is at capacity.

The four c&g vehicles that we plan on purchasing in year 2013 will reach capacity for fueling our trucks.

Withe need a new fueling station.

The desire is the north end of town so that we can reduce our mileage for our routes for midday.

It would reduce our route mileage.

>> This pie chart is part of the survey from 2011.

One question was how often is your recycling cart full after two weeks.

That's 82% of our customers reaching capacity at once every two weeks service.

This is in our master plan, and in our financial forecast to move to a weekly service.

We're projecting that around 2016.

I'm looking at the economics of swapping services to add the recycling service weekly.

Our customers on a regular basis are asking for it.

So it's in our financial forecast for moving to a weekly service.

And I would also say that ties in well with the concept of a need for our north facility with the fuel site as well as the hhw facility.

The stars seem to be aligning that we need two points of deployment north and south.

On major accomplishments, a lot has happened in fiscal year 12.

One is that we're working very aggressively in increasing our diversion rate.

We have many different performance measurements, but the one performance measure that's driving our programs and the budget needs is a diversion of goal, 2015.

We're moving our diversion rate up 42%.

37% in fiscal '14 and 50% in fiscal '15.

This requires programs to be implemented, education and outreach programs to be planned in the budget.

Our budget is formed around those diversion goals.

Part of this year's programs to increase diversion include a commercial program where we're working with ten different restaurants on collection of food scrap, experimenting what the collection challenges are.

That's a 12-month pilot.

We're working with the composting through all of the city's sponsored events.

Towards the end of this year, you will see an ordinance presented to city council on a recycling event ordinance requiring recycling and composting at city supported events.

We are working on our composting rebate program.

We had tremendous expansion of our workshops, 25 workshops this year for our residents on back yard composting with a rebate program.

And we're increasing our events and presentations throughout the city as well too.

On fuel consumption, I mentioned earlier the conversion to greener fuels.

This year, we purchased five new hydraulic hybrid refuse vehicles.

Each vehicle has a 42% fuel savings by field experience to date.

The major accomplishment i wanted to thank you for is the adoption of the arr master plan.

Council adopted the plan in december of last year.

This accomplishment culminates in a lot of stake holder meetings and a lot of input from the public as well as from council.

But it also initiates the implementation stage of our zero waste activities.

In the master plan reorganized the department to support the zero waste goals.

Some of the initiatives that we implemented in this year, house of hazardous waste hours 00 to 12:00 noon.

We've received many compliments on our residents to increase that access.

Once again, the need to have a north facility in our planning.

Our todd lane mrf facility transforming to the resource recovery dropoff site.

The resource recovery dropoff site is a bulky site out at the land fill.

We learned from the development of our master plan that that is too distant for residents to travel to.

So we have fairly low participation of the residents.

We're moving that faity to the todd lane mrf, not that center but side-by-side, using the mrf.

We're using the internal space of the mrf to sustain that operation there.

We'll have full moves into that facility by october of 2012.

We are actively involved in event recycling in all of the city sponsored events and staffing and outreach to the event organizers.

I mentioned earlier the implementation of the recycling ordinance working with stake holders on the implementation of phase one, developing phase two ordinance.

We have reorganized our school education program.

Council has approved our new school education contract last -- I believe at the last council meeting.

And that has met -- performance measures that dramatically increase our presence in the school presentations.

We are in the final closure stages of our land fill.

We have all of the land contoured.

We have physically met all pc fuel requirements for the closure of the land fill.

We have two issues before we get soert if occasion for -- certification for the land fill.

One is vegetation, hard to grow.

One is vegetation for the drought, difficult activity that we're still working on.

A couple of the harsh rainfalls that we had recently, withe had washouts because of the lack of vegetation.

There's repair of the contours in the land fill.

We're working on that.

That does impact our budget.

There's budgetary impacts there.

In the future, we're working right now on an enhanced gas energy system rfp.

We're looking at our carbon footprint at the closed land fill.

We have unmitigated releases of methane gas as well as captured methane gas that flared.

We're looking at converting that entire system to a gas energy system.

That -- we believe that will be a revenue generator in the future.

So we're looking at developing an rfp for proposals on converting that system.

We're also planning for an ecoindustrial site.

We're working closely with kevin johns and his staff in developing some economic opportunities around recycling at that site.

Our fiscal year '13 major programs planned in the proposed budget, marketing campaigns.

We have included in our marketing campaigns the reuseable bag education program that was before council recently in march.

And also some zero waste initiatives.

So part of the master plan is developing the conversation with the public through education outreach and more elaborate marketing campaign to demonstrate to the public how they can better recycle.

We're working on a recycle right campaign to instruct residents what properly goes to a blue cart and what does not.

To reduce the contamination of recycling, but also, we have less than desirable pounds per house hold in the blue cart.

That's because the residents are not -- they're using the blue cart, but not as effectively as they could.

That could bump up the diversion rate if they can get that communication to the public.

That's part of the marketing campaign.

We're working on planning the development of reuse center.

Master plan, five reuse centers, four quadrants and the reuse center in part of the city.

We're working on the process for developing a private-public partnership with a couple of nonprofits to manage the reuse centers.

We are in the planning stages of the new facilities.

I mentioned the hazardous waste facility, a north fueling site, and a north service center to supplement our needs at the todd lane service center.

We're in the planning stage, working closely with greg kinaly in the city-wide facility process.

Sometime this summer, council will be presented with a package of facility inventory of facility needs on city structures and we're part of that package.

Part of our unmet need is our need -- our presence up north with the service center, hhw facility and fueling site.

Part of the upcoming project there.

2011 Customer experience survey from austin energy just to revisit that survey.

The interesting observation.

The question that was asked of residents in the survey is how much more would you be willing to pay on a monthly basis to support zero waste goals.

With any survey, you may not get the proper -- you get an inflated value but it does step in to give you a benchmark of how the public is receiving the zero waste and the acceptance that there are costs in the -- involved in supplementing and implementing the zero waste plan.

39% Of the residents answering that question said \$10 a month or more was acceptable.

As now 10% responded \$5, 4% \$2.

A couple more percent indicated \$1 increase.

Well over 50% of the residents surveyed here are basically saying they recognize there may be a cost for zero waste they're willing to supplement on the utility bill.

I also recognize bringing myself down from the cloud, it is a survey and not necessarily reality as the customers see it on the utility bill.

>> Spelman: You might also note that about half said zero.

I'm adding up, 39, 10, 2 said no, they would not support increase.

>> That's right.

That involves outreach and education on how this might impact the utility bill.

You're absolutely correct.

We have two notes, one is our anti-litter fee and one is the curbside collection on the utility bill.

The anti-litter fee, we're proposing to rename the fee clean community fee and expand the purpose.

We're planning in the council, this would create the need for an ordinance adopted by city council.

This is a proposal.

So we're looking at broadening the scope of the fee.

Our concept is the services provided by code compliance as well as Austin resource recovery, they're there as an effort to clean our community, to keep our community clean.

It may be nuisance abatement and it's clean -- it's cleaning the streets -- street sweeping, anti-litter programs on our end as well as bulky collection and other activities to keep the neighborhoods clean.

So we're looking at refocusing the fee as a clean community fee.

It also can -- I was talking to Lucia Athens and it can support our sustainability too.

The concept is to reorganize this fee through an ordinance adoption.

It will come to council in about a month.

And with this restructuring of the fee, Austin Resource Recovery is proposing a 50 cent increase on our residential fee to support the zero waste services.

And code compliance is representing giving a 60% increase to support code compliance abatement activities.

The current fee is \$5 as historically the \$5 revenue fee per household is split between ARR and code compliance.

The current split is \$3 and \$2.

ARR received \$2 of every \$5 collected, code compliance receives \$2 out of every \$5.

We're looking at those code increase in request.

In our forecast summary, I'd like to note that a structural imbalance that I mentioned in my presentation last year.

And we have a five-year plan to resolve this imbalance.

Our budget, our department budget, our revenues are not keeping pace with the expenditures.

My first line of the defense for the first two years being here in Austin has been cost efficiency.

Cost reduction, cost efficiencies, I have not come before you for a rate increase because I wanted to get the expenditures in line before I justify a rate increase.

I'm now before you saying I will need a cost increase, a rate -- a bump-up in the revenues to help offset this structural effect here, this imbalance.

It is a five-year gain plan where in fiscal year '17, our revenues do match our expenditures.

In each of these years, I had a strong commitment of operational efficiencies and cost reductions.

I have a slide later on on some of the costs reductions that I'm working on right now.

This particular slide just shows the green column of fiscal year '13 forecast where we're looking 3 with the rate increase that is proposed in an expenditure of 1 covered by the carryover balance.

One of the advantages of our department is that we've had a carryover balance that supported the structural imbalance.

We're now running that balance down to below our 112 requirement.

And it is -- it is now time to have that conversation of a rate increase.

And a rate adjustment.

And with the commitment that i am still working on cost efficiency.

This next slide describes some of our major cost drivers.

9 million increase from last year to this next 8 million is in base personnel, base increases in health insurance and civilian wage adjustment in our market adjustments.

9 Million to support the other requirements, the support of the requirements in the 311 system support, retirement support services, ctm activity, general obligation debt services and some cit programs.

So that's the \$1.9 million.

2, it's NEW STEs TO HANDLE THE CART Maintenance and management.

Quality assurance division, and the waste diversion workload of our master plan.

Also part of it is fleet and fuel maintenance, cost increases.

One of the cost efficiencies that I'm working on is moving to a c&g that we do -- that we are experiencing fields, price increases on the diesel.

The more we move to c&g, the more we increase the fuel increases.

In this budget, we plan on zero waste education programs as well as master plan initiatives.

That's a portion of this fund as well.

And a living wage cost increase in our single string process contract that was signed last year.

So the combination of these 9 million increase in our budget.

Proposed rate structure for addressing the structural imbalance as I mentioned, the master plan gives us the opportunity to look at how we set our rates.

We had a conversation with council last november in presenting the master plan in a couple of concepts on rate structures.

There's a national discussion in the recycling community on how best to implement a cost structure that would encourage pay as you go to encourage waste reduction and encourage more recycling.

We have a pay as you go price system in our utility billing, rate structure and rate structure that varies on the size of the cart.

This approach that you see in this chart is trying to move us to a sense per gallon structure.

It's a more pure pay as you throw, where you can tell your customers, if you have 64 gallons of service, you're paying 18 cents a gallon.

If you have 21 gallon, you're paying 18 cents but far less per month.

It's equivalent to a kilowatt hour rate on an electric utility bill, you can turn off the light, reduce your consumption, reduce your expenses.

That's exactly the concept here.

When a customer feels their 96 gallon cart is not effectively used, only filling it half full, they can move down to a 64 and save \$12 a month.

That's the concept there.

So I'm proposing a rate structure.

75 base rate and segmenting that out to support the recycling in organics.

We've done a cross the service study.

If you take the full cost of recycling divided by the number 50 per house hold per month.

So we're -- what I'm justifying in this chart is a \$9 base rate to support the recycling and organics activities and a variable charge on our trash service based upon a cents per gallon approach.

And if you move to the next chart, you'll see how that impacts our residents for the next fiscal year.

This is a five-year proposal on rate structures.

Simply projecting out into the future on 14, 15, 16, and 17.

But on fiscal year 13, the budget has planned on this increase on what you saw on the previous slide of 18 cents per gallon on the trash cart plus the \$9 base rate.

And the increase on the 21-gallon cart would be three cents.

26 a month for that customer base.

64 Gallon, \$and the 32 gallon customer, \$3.01.

The rate is much higher on the 96 to slide our customers down to a smaller size cart and to increase the recyclebles they place in the blue cart.

This is a rate structure that's being proposed to pay for our revenue needs, but also support our zero waste needs.

>> Spelman: If I could?

>> Capital improvement program.

Capital improvements primarily on capital equipment for fiscal year '13.

Equipment and vehicles, most of the vehicles are in replacement or the retirement of existing equipment.

And cart purchases.

As we roll out the 21 gallon cart, we have an increase in cart purchases and cart placement.

On the closed land fill capital requirements, we're -- that \$3 million is proposed for our ecoindustrial park as well as the final closure expense for the land fill.

And the \$5 million is proposed for our north service and master planning in the development of that north center.

That does not pay for the full cost of developing that service center.

That's the initial planning, land acquisition, and so forth, as we work with the facility planning group.

And I'm projecting a 2016 or 2017 move in from that facility.

We're beginning the planning at this stage right here, in the vip needs there.

Cost efficiencies -- as i mentioned in bringing forward a rate adjustment, I also am always committed towards cost efficiencies.

And part of that is generating new revenues sources as well as reducing expenditures.

And the first two line items enhance gas capture system and the land fill solar field, both can be revenue generators.

And so I've -- I'm working with our purchasing office in DEVELOPING SOME RFPs FOR Inquiries from consultants and companies that could develop a gas capture system as well as a solar field.

I met with austin energy as well too in working with their solar staff.

And both activities, future activities in the planning stages.

I believe the gas capture system could be implement in late 2013, early 2014.

And the solar field in 2014-2015.

Both could be revenue generators off of the closed land fill.

Also we're interested at selling our unused recycling mrf equipment at the todd lane facility.

Short space in the back yard there.

A lot of old equipment.

And bailer as well as conveyor belts and so forth under a structure in our back yard there.

It has economic value.

And we're doing some research on it.

We're planning on auctioning that, receiving some revenue off of that equipment.

We have no need for it based on our long-term contracts that we signed with balcones and pds.

We're restructuring our north and south recycling routes.

I discussed this with council in the approval of the recycling contracts last april, last march and april.

There's a projection of about \$1 million in savings in our budget in our annual operating expenditures, just simply realigning our routes so that our -- 60% of our recycling routes dump north and 40% now dump south.

We're not crossing the river as much.

And we're planning our routes according to the use facilities.

That \$1 million projection that I indicated to council last spring, actually won't become reality in this budget.

We are planning cost reductions and fuel and miles on the road.

And that is planned in the fiscal year 2013 budget as a cost reduction.

We are also working towards the establishment of a second service center is.

And likewise, although there's an capital expenditure service center, we are looking at cost efficiencies at the consulting company that the city is hiring for facility assessment has indicated that we could save 1e6r8 million a year by having a north/south split of all of our services.

The north service center could essentially be paid off in 20 years by 20 years of cost savings in our budget and routing smart toward the north-south split.

So I'm seeing the potential of a second service center that pays for itself.

Still working on the spread sheets and the numbers.

But that's what we're working on.

Expand cng fuel conversions.

Diesel fuel going up.

Cng fuel is fairly stable and not rising.

We insulate ourselves from future fuel cost increases as we move from cng fuel conversions.

Disposal alternatives, emerging technologies may be more environmentally safe than land filling and they cost less per ton.

We -- we are exploring that.

We're working with the university of colorado and denver in the engineering department on a study of emerging technologies.

That report is coming to me in june.

And want to reduce the costs on disposal.

That concludes our presentation.

I'm open to any questions you might have.

>> I wanted to let my colleagues know we have approximately an hour and 15 minutes.

And we have the questions on this section left along with three other sections.

So let's try to time our questions accordingly and remember that we have an opportunity to submit budget questions.

Bob, I just wanted to let you know that I don't remember any other department with the last page ending with cost efficiency.

We do appreciate that.

And I wanted to ask you about the enhanced gas capture system.

>> Cole: And we can sell?

>> We would get the sale revenues, the wholesale revenues from the sale of that energy.

There are several different private-public models that we could work with.

Some of the companies that i have talked to indicated that they would invest in the capital if we reduce our share of the revenue of the energy sales.

Or it could be entirely a contract through austin energy and managing the gas capture and the solar field and capturing the energy into our grid system.

So there's a public-public partnership opportunity and a public-private partnership opportunity we'd like to explore on both ends.

>> Cole: I think it's great.

I think it's great we're considering about on the cutting edge of making an investment that will actually return on the investment, especially with our other departments.

Will you briefly explain the potential revenue that we can receive from the landfill solar, from the landfill solar field?

>> It's similar to the gas capture.

There is a capital investment, but then there is also a wholesale rate that we would receive.

It depends -- the portion of the proceeds of that wholesale rate would depend upon whether it's a public investment or a private investment and a partnership.

But in any of those scenarios that I have explored there would be a revenue stream for the city.

>> Cole: That's excellent.

Questions, colleagues?

Councilmember morrison?

>> Morrison: I want to make one quick comment.

On slide number 206 when you're talking about accomplishments, I guess it would probably figure under increased number of contacts, and one of the great accomplishments for you all this year, I just want to mention was the premier of trash dance.

[Laughter] because it filled the paramount theater, what, two or three times?

>> Three times.

>> Morrison: Three times during south by southwest and it was so wonderful to be able to feature the -- austin resource recovery staff.

And it just raises the visibility and appreciation of what your staff does.

And so I think that that in and of itself is helpful.

But you guys have gone national now and perhaps international, but I know you've been -- the film has been entered and shown at several festivals.

It's winning awards.

And so congratulations on your participation.

>> I would add two points.

Andy garrison, the film maker, sent an email to me yesterday.

He's invited to another film festival to show the trash dance.

Also, virgin islands is working on a zero waft plan.

They're using our zero waste model and they just showed the trash dance at a public meeting in the virgin islands.

>> Morrison: And I heard that there was the potential to show it at the mayors' conference.

I hope our mayor's office will help to promote that because that would be a perfect place.

Confusions to you and allison and andrew and all the filmmakers.

>> Cole: Wonderful.

Councilmember spelman.

>> Spelman: I like trash dance too.

I particularly liked the fact that you had a lot of the people participating and showed up at the paramount at the time I saw it.

A lot of people showed up and talked rather sheepishly about the dancing they were actually doing and how much work it took for the choreographer for him to actually do that.

They believe obviously had a really good time making that movie.

I'm looking -- we haven't got a lot of time, so I want to hit a couple of high points and I'll send you a lot of questions in the next couple of weeks.

But a lot of them will be oriented towards the kind of stories that I'm seeing out of page 211.

And I've got two classes of questions.

I'll ask them real quick.

I'm looking at the distinction between the second column, fiscal year 2012, current year estimate, and the fiscal year 2013 forecast.

And I understand that the beginning balance ended up being a lot higher than we expected it to be, that's why we have five million more bucks in the bank, even though we're still losing money, we're better off because of that windfall last year.

But I'm noticing that the revenue, you're projecting going up by 10%.

Presumably because of the fee increases.

>> That's correct.

The two fee increases.

>> Spelman: Both for gallon and for -- right.

And you're also talking about an increase in expenses of about 10 million.

>> Yes.

>> Spelman: Which is only about five million or six million or so over the expected expenses from last year, but the current year estimate is lower.

So what happened there?

>> We are encountering some cost efficiencies.

About three million dollars in cost efficiencies this year from our plan budget.

We're coming in under budget.

What I am exploring is whether those are long-term savings or short-term savings.

Many of them are short-term savings.

It's vacancies that were not filled right away until we really needed the position.

We're filling some positions right now for the zero waste planning for implementation of the universal recycling ordinance.

We have some foot soldiers basically going to businesses and talking about zero waste.

We're hiring those positions.

We had authorization to hire about 10, 12 months ago.

And so we have some efficiencies by not hiring until we really need that staff.

And that's part of that savings.

>> Spelman: So this is the sort of thing you would do every once in awhile, but not on a long-term basis.

>> That's right.

Another part of the savings is fuel efficiencies.

We did a minor route adjustment that created some fuel savings.

I mentioned the route adjustment will make this coming October for the north-south split.

We're conservatively estimating the cost savings and planning it in our budget.

We may save more than anticipated, but that's a guessing game until this time next year.

>> Spelman: Sure.

And the other thing is we'll all have more questions on the nature of the short-term, temporary versus long-term, structural, we'll help to sort it out.

The other thing that strikes me about this, I really appreciate the fact that you're providing long-term planning.

You have a master plan, you have to implement the master plan and here's what it will take to implement the master plan.

But I can't help but notice that the revenue increase is about nine percent per year for the next five years.

And the expenditures are going to increase by almost seven percent per year for the next five years.

So we're actually talking about a much bigger utility five years from now than we were before.

That's part of what the master plan is all about is you're doing a lot more stuff five years from now once it's implemented than you are now, but it will cost you some money.

And the bug in your ear i want to do now is if it came to it, and it might, is there a way we could stretch out some of the stuff so we're not starting to implement it quite at the speed we expected to right now given we're still in a recession, we still have a high unemployment rate, wages are still flat and so on?

And this might be something which you might be called upon at least to consider doing.

>> At the philosophic level and we can get into more detail level, but the master plan calls for some expenditures.

And those expenditures are modeled in this fund summary.

The statement I made in december to council, and i stand by this statement, is that it will encounter some cost efficiencies merging new programs with existing programs.

We're listen planning new program expenditures.

We may not incur the expenses we're planning a little bit on the high side.

So there may be cost efficiencies that I can find emerging programs.

I can also delay programs.

Certain programs can be delayed without too much impact on the diversion rate projections.

Others will.

Like the organics collection, dramatically leaps us towards that 75% in 2020.

However, the reuse centers, we're planning the reuse centers in this next year's budget.

It is part of our game plan on our diversion.

I prefer to implement them next year.

They can be delayed if that's a problem in the budget.

So there are certain programs we can choose to delay a year or two and defer the expenses down the line.

>> Spelman: Some stuff is on the critical path, some stuff's not.

>> Exactly.

>> Spelman: The last point I just felt I need to make it, is that on page 214 you have a per gallon trash fee laid out to support all this stuff.

And the per gallon trash fee is increasing by about 18 percent per year.

Now that's assuming you're keeping that fixed cost at 8.75.

>> At nine dollars, yes.

>> Spelman: But the angle of that per gallon is going up fairly quickly.

And I think this is probably the right way -- if we're going to have to raise this kind of money, the right way to do it is to change the angle, not change the base rate.

But it will feel like a steep increase to a lot of people.

And 18% doesn't sound good, nine percent feels like -- to some people will feel like a luxury item.

Maybe to some of the people who say no, I won't pay another dime for zero waste.

This is one of the things we will have to have a larger conversation about.

>> I agree.

At the moment I'm proposing it as a philosophical rate structure on how to design our rates in the future, but I'm also looking at fiscal year '13 for the fiscal year balance needs that I need.

Anything from 14 through 17 I would venture it as more of a guess that needs more analysis.

>> Spelman: Of course, of course.

And I am completely on with the idea that you keep the fixed rate as low as you can and just change the angle and that's how you will get the most bang for the buck as far as people avoiding waste in the first place.

>> Exactly.

I would note in this particular layout of expenditures, a customer be in charge of the 96-gallon cart in this fiscal year at 30.95.

If they move down to a 64-gallon cart and experience the increases up through 2016, they're still below what they're paying right now.

So one way to mitigate that price increase is to downsize one size, and you have four years' worth of cost increases that are mitigated just by downsizing.

>> Spelman: And my guess is that when you look to the trash, the people were throwing away as to recycling, you found there were more errors in the form of putting stuff in the can rather than recycling it for the 96-gallon folks than it was for the 64.

Just statistically it makes sense.

>> We're doing more studies on the 96-gallon customers.

About 15% of our customers are in 96-gallon.

And we're trying to see how full those carts are and how much recyclables are in it.

>> Spelman: Yeah.

Is my assumption accurate that there is --

>> I think so.

>> Spelman: Okay.

Thanks, bob.

>> Riley: Thanks for the presentation.

Just a few questions.

First I want to focus on the north austin service center and the other services that are provided there.

It seems like there's a lot of good reasons to move forward on that sooner rather than later, especially if it's going to pay for itself.

So I heard you say that we'll expect to see that addressed in the facilities plan that we'll get later this summer.

I just wanted to get a better understanding of the timetable from there.

Do you expect that this is something -- would this be something to be addressed in a bond election or is there some other way of funding a facility like this?

>> On monday, just two days ago, we had a funding meeting and discussed our different funding options.

We're looking at four or five departments working together for a collaborative service center on the north.

There's a public works is very interested, fleet operations very interested.

We could be working with pard on potential combined service center as well too.

So we're looking at cost sharing among several different departments.

We're not exploring at this moment in time any bond package for a bond election.

We're looking at internal resources at this moment.

>> Riley: So what sort of timetable do you have in mind?

>> Timetablewise the facility plan, we're integrated into the overall citywide facility assessment and city development plan.

And upon approval of that plan, within six months i hope to be buying land, hiring the architects, moving forward.

So I'm looking within one year of very much moving forward towards this.

A move-in date that I desire is 2016.

>> Riley: Great, but that's still a few years away.

In the meantime -- first let me ask about outstanding issues that we have as a result of the current configuration we're in.

Household hazardous waste.

Compact fluorescent bulbs have been at issue for some time now and it's going to be getting more of an issue as those bulbs -- as they start burning out, which they do and I already have a stack up in the shelf in my closet.

For people like me who have been accumulating those, is there anything that we could expect before 2016 that might provide something more convenient than we have?

>> We are exploring, and part of our master plan in our budgetary out lay is expanding dropoff -- retail dropoff of some household hazardous waste stimulus, the fluorescent tubes might be in that category, batteries might be in that category, paint like home depot and lowe's.

We're looking at retail settings for dropoff sites where reasonable.

It doesn't allow us -- the tceq rules don't allow us a lot of hazardous materials to be dropped off at retail centers, but fluorescent tubes could be.

There's some outlet there.

We also do a door to door service for senior citizens and those who cannot travel.

They can call for a reservation and we plan on expanding that program.

>> Riley: Okay.

And then with respect to the fueling site, this won't be significant benefits to having one in place up north before 2016, and as you know there have been private partners who have been offering to work with us on that, so do as they do at the airport and they would fund the capital expense up front and then we would just apply pay a slight additional increment on a basis going forward s that on the table?

>> Absolutely, yes.

I'm working with the fleet officer jerry caulk on that.

The issue in my court is siting -- the particular site of that north fueling center.

I would like it in synergy with the hhw facility and the service center.

And the collaboration of other departments to use that fueling site as well too.

That's my concern.

But definitely the private-public partnership is very much on the table in part of the discussion.

>> Riley: I hope there's something that we could move forward on.

And in fact, capital metro has had similar considerations and so if there are opportunities there for collaboration with capital metro, I think we ought to explore that as well.

On recycling, I know you indicated that we're moving towards a weekly pickup.

There are some customers out there who are better -- who do especially well at reducing and reusing, are finding that they're not currently filling those great big bins even over two weeks.

And as you know, a lot of folks have trouble moving those great big bins and there's been interest in getting a smaller cart.

Is there anything on the horizon, especially if we're going to be moving to weekly pickup, do you anticipate moving towards smaller carts?

>> Yes.

This fiscal year we're purchasing 64-gallon carts for our recycling customers.

I'm placing a rule on the 64-gallon cart that you cannot have a larger trash cart than a recycling cart.

So if you have 64-gallon trash service or less, you're qualified to have a 64-gallon recycling cart.

And we'll begin that service by october.

Of this year.

>> Riley: Good.

I appreciate the progress over the past year in making the 21-gallon trash carts available and I know there's been a back bog log of those.

How are we doing on that?

>> I think there we're through the backlog.

We had a backlog of requests and I think we'll fulfilled most of the requests now.

>> Turning to the rate structure, I was a little surprised about the nine dollar fixed fee.

When we approved the master plan back in december, as you know part of that plan was to move in this direction of shifting -- shifting away from a fixed fee and moving everything on to a per gallon basis.

In fact, on page 269 the plan says gaining in fy 2013, the department will propose to city council a pure pay as you throw rate structure that charters -- charges customers based upon cost per gallon and there's a theoretical fee structure set out that is a per gallon rate.

But no mention of a fixed fee in that theoretical fee structure.

Has there been a change since we approved the plan?

>> Actually, that's still on the table.

What's driving me towards what I proposed is the organics expansion and some fixed costs involved.

That that would better be displayed to the customer as a fixed cost per month.

However, the peer per gallon rate is on the table.

I actually have four spreadsheet.

Robert goode has seen many versions of it of four fferent scenarios, two of which are purely per gallon rate scenarios and two have a fixed rate and vary on the approach of per gallon rates.

And so those four scenarios are still valid and I'm still working on them.

In this proposal I've selected one option, but the other options are still on the table.

>> Really to clarify what you're doing is you're also changing what's in the flat rate.

>> That's right.

>> It's now organics and recycling and we'd be paying in the flat rate, where it used to be just the standard fee.

>> Riley: Remind me of the next step contemplated for organics?

Are we getting closer to curb side compost pickup?

>> Yes.

That's one of the items that will float based on affordability.

In this rate structure it's planned to be deployed in 2016 for the curb side collection of food, waste, organics in a cart situation.

My preference is 2014, but I'm proposed it based on the financial structure and the financial needs to 2016.

This fixed rate approach might get us there a little earlier, it might.

I'd have to look at the cost.

The 20 on the organic collection is an -- the cost on the organic collection is a capital cost.

The ongoing cost after the initial capital expense is reduced from our current structure.

We're currently using a two-man truck, rear loader.

The staff gets out on the curb, picks up the bags and tosses them in the truck.

When we move to an automated cart it's a one man truck and you can put your food waste in it.

We believe that's a cost efficient way and will reduce some of our injuries out there in the field, but there's a capital conversion that is needed.

And that's what I'm concerned about as it hits the rates.

>> Riley: Okay.

Last question is about the anti-litter fee.

In the plan we did -- owe the plan did indicate that in the near future austin resource recovery and code compliance will pursue an amendment to clarify the programs covered by the fee and more clearly divide a fund between the two departments.

Is that essentially what's done in that slide on 210, having it shifting -- shifting the cost and the labels for that fee?

>> That's exactly right.

We're following that particular promise.

And we're projecting that will be on the council calendar on may 24th with that amendment.

>> Riley: Great, okay.

Thanks again.

>> Cole: Next we'll have code compliance.

>> Good afternoon, mayor pro tem, members of council, city attorney.

I'm Carl Smart, director of the code compliance department.

Been here about nine months now.

I guess this is my first opportunity to come and talk to you about my assessment of the code compliance department.

And I want to let you know I'm very pleased with the department.

I think the quality of the staff is commendable.

And very pleased with that.

Very well trained and they're ready and they're willing to move forward.

In moving from good to great they say one of the first things is make sure you have the right people on the bus and you will figure out where to go and I think we have the right people on the bus.

We've adjusted our vision and adjusted our mission to make sure that we're providing the right quality services for the city of Austin and we're ready to move forward.

We have adjusted our review and adjusted our SOP's, standard operating procedure.

We've reviewed our and in the process we've now upgraded the technology to -- so that we can operate more efficiently.

And we've also looked at how we operate and look at ways to improve our operation.

We'll talk about that now in our financial forecast.

These are our major accomplishments.

One of the first things we want to emphasize is our work and collaboration with police.

That is public assembly code enforcement and it's been very, very useful as it relates to all the special events that we have here in Austin.

South by Southwest, ACL and most certainly the upcoming F1 events -- Formula One events, working collaboratively with the police department, with, with PDR also makes it a very efficient operation.

We want to highlight the code compliance academy.

It is our source of training code enforcement officers to make sure they're ready to go out and do a great job of enforcing the codes.

We've got one of the -- we've been identified as having the best code compliance academy in the state of Texas.

And TCEQ, that does a lot of training on the state level, has been coming to our facility and using our facility to help train code enforcement areas in the area and the region.

So it's become a regional, instead of just a departmental training academy.

And last I would like to highlight the community outreach program.

We've implemented that.

We've got staff dedicated -- right now one person is going to expand that over the years.

That will actually help connect citizens with assistance programs.

A lot of times in doing code compliance you end up doing inspections and issuing notices for property owners who really don't have the means to take care of the violations.

And so being able to connect them with resources with other agencies I think is really going to help us move forward.

So we're pleased to have that program in place.

These are some of our key performance measures.

I think the main thing that you will see here in the performance measure shows that we have increasing demand, and there is a real challenge in being able to meet that demand, starting from the bottom, the average number of cases is going up and it looks like it may be over 600 this year, 600 per inspector, which is much too high.

Our goal is to have it more around 260, the number of code compliance cases investigated is up.

And the response time is not where we want it.

Ideally and from an industry standard, that response time should be around two days from the time that we received the complaint to the time that the inspectors actually get out to the property.

So I think gradually over the next few years we'll be looking at improving our performance so that we can better meet these key performance measures.

The citizens survey in 2011 shows that the satisfaction with code compliance services is going up, and we're pleased to see that.

We're not going to be satisfied at being at 46% as where it is for 2011.

We've got to do better than that, but it's still better than the average for other large cities in the united so we're improving, but we're going to continue to work on getting better, and we think some of the programs that we'll be putting in place next year and the next few years will help us to improve that customer satisfaction.

Here's our -- kind of a quick overview of our budget revenues and expenses.

We're looking this year at going completely to enterprise fund.

And so traditionally we have been partly funded by enterprise and partly funded by general fund.

And we're not looking to do -- looking for any funds from general fund this year.

Bob getter before me has already talked about the clean community fee, and that would be our primary fund.

We will be coming forward with bob to propose to council that we become a clear enterprise fund, and 90% of our funding would come from there.

The other part of our funding would come from other fee-based programs and from the recovery of collection of funds for penalties as well as from billing and leading properties from our abatement activities.

Tear down a house, demolish it, building liens.

You'll be able to see that.

We'll explain in a minute that there's additional f.t.e.'s for this year.

And so we'll explain those in just a minute.

But basically our revenues, 3, with an increase of two million dollars in expenses.

Here are our major cost drivers, in addition to personnel costs.

And internal transfers.

Our major increase there is the f.t.e.'s.

The first -- the biggest program is the waste hauler program, which is a transfer of a program from arr, austin resource recovery.

That program would register waste haulers in the city and it would also allow us to do some enforcement, code enforcement, make sure that they are registered and that we've got folks who are qualified that are actually hauling waste within the city of austin.

And that program would pay for itself.

You're seeing nine f.t.e.'s.

That cost would be covered by the cost of the fees.

And so the other programs there, case investigation would increase the number of officers handling commercial inspections as well as work with our permits.

And a multi-family program would be an inspection program.

That program would focus on declining multi-family, residential properties, particularly apartments that are not being properly maintained.

And we've been running into a number of those each time that we get a complaint or we have a problem with a department complex, it can actually tie up an inspector for months at a time.

We're taking -- we're talking about a unit of four that would specialize in dealing with these multi-family problems.

And the last one there is administrative hearing process, which would provide another alternative to municipal court, kind of a quasi judicial process that would allow for hearing of certain types of cases and would really reduce our load there on the municipal court.

Some of the horizon issues and code compliance, as you know austin is experiencing an accelerated population growth, and the challenge for us is to be a part of -- to assist in helping to maintain the quality of life here.

And I think the things that we do pertain directly to the quality of life.

And you'll see there a number of services that we provide on a day-to-day basis, and that we get complaint calls in.

We get emails and communications to us.

Property maintenance complaints have gone up, around 37% over the last four or five years.

Illegal dumping complaints have also gone up.

Work without permits or expired permits are up 33%.

Expired permits are up a tremendous amount as you've probably heard from pdr, and that impacts the work load for code compliance.

How are we going to deal with those I think is -- our basic strategy is to stick with neighborhood code compliance and enhance that particular model.

It's the opposite of what i call drive-by code compliance.

It's connecting with the neighborhoods and connecting with the property owners, with the residents, with business owners, talking with them, explaining what the violations are, explaining what they need to do to comply, what are the remedies, and explaining the process.

The code enforcement process as well as what process they would have to go through in order to get compliance.

A lot of people just don't know.

If they've got unpermitted structure and they've got to figure out how to get compliance, then it's a step-by-step process.

I think we can help them with that.

The end result is what we're looking for.

The end result would be compliance.

So that's what we're looking for.

We want to build partnerships, work with neighborhood groups, associations, individual residents, work with other city departments, realize that we can't do it alone, by building these partnerships that we'll do a better job.

Some of the emerging programs we'll be looking andrew horansky talking to council about in the upcoming years.

The code ranger program is one of those.

I think that has an opportunity to be a model program here with the level of citizen involvement that we have in our neighborhoods, that it will flow really well here in the city of austin.

Short-term and long-term rentals are emerging programs as you know, and there's an increasing rate of -- sorry.

[Laughter] increasing rentals and a high rate of occupancy too with rentals.

So we get a lot of calls from that and dealing with those is going to be very important.

And enhancing our -- we have a registration and inspection program for mobile home parks, as you know.

And in looking at that and enhancing that I think there's a need to enhance that program and expand that program.

So we'll be coming back.

We believe that we've identified those horizon issues that are really going to be impacted in the city, that code complaints with help to -- compliance to help to deal with and we'll have programs coming forward that will address those particular needs.

I'd be glad to answer any questions and respond to questions from council.

>> Spelman: I'll give you most of my questions in writing.

There are a couple of things that came to mind right away to get a sense of.

On page 220 you've got 24,000 and change cases investigated in 2010.

You have a dramatic reduction from 2010 to 2011 in the number of cases investigated and almost as a dramatic increase again.

And I want to think it's not cases reported, but investigated and I want you to talk about how I should think about that number.

Why do they go up and down so much?

>> We had an instance where we had a bulk caller, an excessive number of complaints that were coming in.

We believe in code compliance and I think it's accurate, that we will respond to any and all complaints.

It's just a complaint until we look at it and then we determine whether it's a violation or not, respond to that and investigate and see what happens.

From 10 to 11 we had a bulk caller in 2010 with an excessive number of complaints.

It went down 2010-2011.

I think the 15,000 is probably closer to the average.

We're looking at 10,000 this year.

Last year was a drought and summertime we didn't have as much overgrowth and weeds, but this year it's looking better.

[Laughter] weeds are up.

So I think you'll see that number rise.

We're predicting that it will be higher than it was last year.

>> So a lot of your work load is based on weather and a lot of it is basically it's weedy lots is a huge percentage and things that you are called to investigate, not did he lap baittated buildings.

>> Delaptated buildings, but more so on the weather.

>> I also see the 2012 goal that sticks out like a sore thumb.

And I was just doing the math.

It looks like the only way you could achieve the goal or see the numbers on the goal, is if you doubled the number of inspection staff.

Was that a typographical or error or was that the approach at one point?

>> The goal is where we should be ideally.

But we realize that we're not in a position to reach that goal this year.

We're not going to abandon the goal just because we can't reach it.

>> Spelman: Okay.

Ideally you should have twice as many inspectors as you've got and be down to two days per complaint?

>> That's correct.

>> Spelman: Okay.

You said that was industry standard.

What does that mean in this case.

Is that the median around cities our size or is that a standard that everybody tries to reach somehow or what.

>> It's more a medium for cities our size.

I've had the good fortune of serving on the national code enforcement board and we've looked at the average response time around for large cities and it's usually around two days.

In some cases three, but two days.

>> That's the average at least.

>> That's correct.

>> Spelman: I imagine there's a lot of variation, some days it's one and for some six.

For us it's six.

>> I would love to be able to do one day.

By the end of the day following your complaint it's responded to, but that takes a lot to get there.

>> Spelman: It would take a whole lot more people, probably more than double the number of people in order to get to that point.

>> Yes, sir.

>> Spelman: Last point.

And this is a conceptual question.

I know from actual personal experience that if you lined up your criminal offenders, not in your business, new the crime world, from the worst guy to the least worst guy, and looked at the amount of damage done by the worst five percent, worst 10%, worst 20%, that something like the worst 10% of criminal offenders account for 50 to 60% of the total crimes done or total damage done.

I wonder if that's the same kind of thing in your world.

Is it repeat offenders who generate particular complaints, particularly serious complaints?

Or is it more spread out?

>> No.

I think if we look at the stats, they're going to follow fairly closely the stats that you see with the police.

And one of the things i neglected to mention is that we've aligned -- we've assigned inspectors to geographical errors.

I believe that subject came up before and we were talking about rentals.

We've aligned our geographical errors with that of the police department districts.

So our neighborhood districts are lining up with the police districts.

We just don't have the same level of staffing that they do.

We find by doing that then we have a neighborhood code officer that can actually work closely with the neighborhoods, get to know those neighborhoods, and you'll see the neighborhoods that have the most challenges will present the most number of complaints, the most number -- the highest number of case investigations.

And yes, the highest use of our resources.

>> Spelman: And probably the highest number of resources that -- of properties that use an enormous amount of your resources because they keep making the same mistakes over and over again.

>> That's correct.

What I'm not seeing so much is the -- is much of the repeat offenders.

In some cities you have a few property owners that have most of the violences, so it's not -- most of the violations.

So it's not necessarily the people, it's the properties.

It's the condition of the properties in the neighborhood.

>> Spelman: Okay.

I'll follow up with you in writing.

Last question.

At one point there was a very close cooperative relationship between the police department and the codes complaints people in the form of a safe team.

I know michael remembers that.

Safety was just the name of it.

But a couple of guys from codes, a couple from the police department would actually do codes as a lever for working on properties, which had criminal complaints against them, particularly houses of prostitution and drug houses.

I wonder if you had the same level of cooperation between codes now in the police department or whether that was an objective on your horizon.

>> I think that our level of cooperation is probably higher now.

Chief acevedo and I work very well together.

Police and codes work very well together.

We're there when they need us and they're there when we need them.

It's working well.

>> And councilmember, michael mcdonald, assistant city manager.

One of the things I would like to do, he talked about aligning with the districts, but they went a step further.

You remember long ago it used to be where if you had a specific type of code complaint you may talk to one of three different types of experts within code, which were not assigned to a geographical error.

So what they've done is assigned them geographically and cross-trained them, so you are the code officer for that geographical area and you handle all issues related to that.

And it's aligned with the dr programs and neighborhoods.

So for example, in neighborhood meetings when that code officer comes, that code officer is in charge of everything in that area and works with the police department.

So I think they've done a phenomenal job along those lines.

>> Spelman: Certainly it's a great opportunity for a real close cooperative relationships, provide a lot better service.

>> He's correct, it's even better than it was.

>> Spelman: Thank you, sir.

>> Cole: Councilmember tovo.

>> Tovo: I'll make it quick.

If we have it on track i think we have three minutes before we need to move on to the next topic.

So the multi-family program that you've talked about here, can you give us some sense of what your vision is there and how it fits into some of the work that the other departments are doing?

>> I think we'll be in collaboration with a number of other departments, councilmember.

I think that the multi-family program will give us a chance to take some preventive action proactive action.

I can tell you that the department right now is primarily reactive, period, across the board.

We respond to complaints.

That's out of balance.

We've got to do more proactive work.

Multi-family program allows us to be proactive in that particular area by identifying those complexes where you've got a number of complaints, a number of code violations, and do more of an inspection of the entire property.

Primarily in those units where folks would allow us to get in.

And do the entire story your of that building and then work with the property owner to get complaints.

Issuing the violation notices and working with them to get those violations taken care of and bring that property up.

Hopefully such that it won't be a problem in the future.

It can maintain it and it will be sustainable so that you don't have recurring violations there so often.

>> Tovo: So will you be helping the owners of those multi-family properties identify sources in community that might assist them with that repair?

I can imagine some instances where the -- the owners of the multi-family properties may not be able to make the repairs.

Do you envision your officers having the ability to connect them to programs out there in the community or perhaps even through housing that might help them with low cost loans and things like that to get their properties into -- bring their properties into complaints?

>> Absolutely.

And I mentioned earlier the community outreach program, and that's what it's designed to do.

To identify those resources out there for single-family residential, multi-family residential, for businesses, for any property owners and residents.

Where are the programs that can actually help them?

So with multi-family that would be the case and we find that they need some assistance and we'll help to try to align them with those assistance programs.

Working with other departments in the city, neighborhood housing is one, economic growth and services, that kind of thing.

>> Tovo: Thank you.

>> Cole: Councilmember morrison.

>> Morrison: Just to follow up on that.

I know that several of us were at the affordable housing heros celebration last night.

And -- all of us here were.

And one of the affordable housing heros was -- is somebody that sits on our building and standards board that you all work with.

That's the board that you work with, charles kaufman.

And he's very involved in the home repair program, which we have funded with bonds and I know that he's talked about having the opportunity for folks that end up in front of the board with a house that's in trouble instead of actually having to condemn it or whatever, getting them connected with those resources, exactly what you're talking about.

Because that's the best way to achieve affordable housing.

[One moment, please, for change in captioners]

>> we're getting some.

We try to explain to them what's going on.

Why is it taking so long, we want to explain.

That's part of the duty of that neighborhood code enforcement officer we're talking about when they are [indiscernible] neighborhood association, they get those kind of questions to explain why it's taking the time that it's taking.

>> Morrison: Right.

Okay.

Then in term of the dollar amounts that we're looking at on page 222, you mentioned that this year takes you completely out of a general fund dollars.

How much is it this year?

I mean, so for next year, it's going to be no general fund funding, why are we right now.

>> This year around \$900,000 in general fund.

>> I assume it's been tapering off significantly over the years.

>> That's correct.

>> Morrison: Okay.

And I just have a question on 223.

We're looking at the waste hauler program that you mentioned is being moved from arr and completely covered by fees; is that right.

>> That's correct.

>> So it's just moving a chunk of money from one place to another and a service from one place to another.

's are part of the waste hauler program?

>> Nine as part of the waste hauler program.

>> Morrison: Oh, nine, sorry I didn't even see that.

So that really could account for, you know, so you were talking about pointing to some of the decreases in arr.

Expenses.

And their budget.

So really we're moving some services so that would account for some of that.

>> This year, next year, though, not last year.

>> [Indiscernible]

>> Morrison: Right.

I think we were looking at projections for next year going down.

Okay.

That's fine.

Then one question on the code ranger program.

Can you talk a little bit about what that is?

>> The code ranger program is a program that I've done in a previous city.

It's basically organizing, recruiting and organizing and training volunteer citizens to get involved, more involved in code compliance, actively involved in code compliance.

They would actually identify basic violations in their neighborhood that they can see from the right-of-way.

Not going on private property, and be able to have sent or either to send themselves or have sent through our department kind of a post card to the resident advising them that they have a problem.

And asking, requesting that they take care of that problem within a reasonable amount of time.

Then they would actually go back, can go back, reinspect on their walk through the neighborhood or the bicycling and the ride-through of the neighborhood.

Check it and see if it's done.

If it's done, that case is closed and doesn't come to code compliance and saves us time.

If it's not done, then it would come to code compliance and we would follow through with the regular process.

>> Morrison: You have worked with programs like this before?

>> Absolutely, we have created the program, put it in place, it does work.

>> Morrison: In theory it sounds great.

My question would be do you run into problems where you get maybe overly enthusiastic rangers?

[Laughter] because that could turn into sort of a nightmare.

>> That can be a night fair if it's not properly managed.

You have to manage it properly.

The first thing is training of the volunteers.

And making it clear, you know, their responsibilities and their accountability also --

>> Morrison: So there is some accountability on their part.

>> Absolutely.

We have to have the is it a of to manage that program and make sure that it's run properly.

>> Morrison: Right, thank you very much, thank you for your work.

It's very visible work.

When somebody needs help from code compliance, they really need help from code compliance.

So appreciate your responsiveness.

>> Thank you.

>> Public works is next.

>> Goodall-wooten evening, in the interest of time, many directors have started with success stories, we're not going to do that.

We are going to start with a health warning.

That health warning is I do not want you to look directly at these slides because the future presented in them is so bright you may do retinal damage.

[Laughter] I am joined here by my partner in crime and financial manager, susan cox.

I will give you another health warning, a lot of detail in these slides.

I'm not going to read everything for fear of a second injury, which is self inflicted whiplash, but there is a lot of good stuff in here that I hope that you will catch up with later.

We're going to go briefly go through an overview of what the department does.

We are funded by three primary sources shown there, child safety fund, capital projects management fund, transportation fund.

We will give you a glimpse at how we're going to make those funds sustainable over the long term and then talk about what's going on and describe that bright future as it relates to the c.i.p.

Program, our neighborhood connectivity projects and street maintenance and repair.

Our organizational mission is essentially to provide an integrated approach to the development, design, construction and maintenance of the city's infrastructure systems and facilities and that mission gives rise to seven main core areas of the everything from project management, design, ..

[Reading graphic] our mission and core areas, really created an operating philosophy for us that's consistent with the city's pride initiative.

And the city manager's directive to be best managed.

Essentially you're going to operate openly, transparently with great accountability.

Be collaborative.

Ensure all of our operations and functions are performed safely, protecting both life and property.

The public works budget for fy '13 is forecast to be just under \$79 million.

It's a small decrease from the current year.

Due to a reduction in the capital projects management fund and I'll touch on that in a couple of minutes.

When you add up all of the 's there, it's just under 700 bodies in the department.

Between the three different [indiscernible] child safety fund, there are really no changes from this year to next.

Capital projects management fund, the main change is that contract management department and the office of real estate services will be moved from the cpmf to support services.

That better aligns them with their missions and gives me the sole accountability now for the cpmf so I can be responsive and responsible.

We are proposing an increase , three are construction inspectors to meet the increase in capital improvement requirements over the next couple of years.

We plan to manage that staffing level also through planned retirement.

A slight increase then back down 7 one division trainer to manage all of the qualifications and certifications that our inspectors require to do wastewater work, water work and other things that they are doing, tunneling work.

We have an awful lot of tunnel projects going on right now.

We have gotten to the point where we do need a trainer to handle that.

On the transportation fund side, the first two bullets are tied together.

There is an elimination of the transfer to the sustainability fund, but that's offset by a reduction in the general fund monies to the department.

In response to some questions that have been kind of thematic throughout the day, the decrease in the general fund to the transportation fund over the last four years has been fairly significant.

In the fiscal year '09 -- 5, now down to \$800,000, that provides us with a budget alignment of what those dollars paid for with those activities that are not appropriately funded using the transportation user fee.

We're going to ask for seven in public works.

For those street and bridge -- four of those are street and bridge ten initials primarily to implement a pretty aggressive tree planting program.

I sat in on an inner departmental meeting where we talked about the amount of tree cover that we have over the right-of-way, closed canopy, we can do a much better job.

I think indirectly that will yield some savings as we shield pavement it will make the pavement last longer in addition to the neighborhood benefits of having more shade trees.

Three positions are necessary to develop and administer a skilled training program.

We have done a pretty good job of changing the culture in our street and bridge operations over the last couple of years by providing a skilled based advancement career field for them, but that does require that we provide some training administration.

It's a healthy environment and atmosphere in street and bridge and the crews are much more productive than they were there.

They are very excited about this as well.

Rob will talk about the four for austin transportation providing i don't talk too long and leave him some time.

Child safety fund, this is the balance of resources and uses.

The fund is sustainable over the planning horizon.

It does include annual pay increases for the crossing guards, including 3% this year.

What you see is a declining balance is -- really is due to expenses are escalated but revenues are held flat.

We expect the revenues will increase as well, we will watch the fund to make sure that there's a positive balance maintained in it.

Primary funding source for this fund are traffic violations that occur in school zones and vehicle registration fees.

Capital projects management fund is the fund that we use to implement capital projects.

We are the city's primary capital project delivery entity.

We do about 70% of the capital program.

30% We don't do is primarily austin energy.

Power transmission work.

's is related to the movement of contract management and real estate out of the fund.

We don't really see any additional staffing needs over the planning horizon for the fund.

We matrix our staff here, project managers are also engineers and engineers can be project managers.

So it's a private sector model.

I will say that the two things that are inherently governmental in nature, that is project management and final inspection and acceptance of facilities or things that we are going to continue to do.

On the transportation fund side, both public works and transportation are working to ensure the long-term financial sustainability of the fund.

We want to do that by balancing sources and uses over the next two years.

You can see by the time we get to fy '14, what goes out will roughly equal what comes in.

We do want to build up a balance to account for emergencies and other things that can come up.

While the fund doesn't have a code requirement for a minimum balance, best operating practice would be to maintain a 30 day or about a five million dollar balance.

We do show an increase in the fees there.

Primarily for the residential users, it's a little over 70 cents per user per month.

That's necessary to keep up really with the cost of doing business.

We do -- our fees are frozen over the last two years and this will just help us catch up as well as maintain the pace of our program.

Cost drivers primarily labor for street and bridge operations, engineering support, signage.

We also do buy a tremendous amount of commodities and the biggest concern that we have is what the cost of petroleum will do to both the cost and supply of asphalt.

We have taken some steps to address that.

We're going to more warm mix specifications, also more environmentally friendly and we have increased the amount of recycled asphalt that we allow in our mix designs as well.

I talked briefly about a better street tree management program and the career [indiscernible] program.

We are looking at different ways of doing street maintenance, doing partial rehabilitation in addition to full depth reconstruction.

We are setting aside money for our computerized maintenance management system for phase 2 of that, which will give us a -- allow us to expand from work order management to asset management.

Once we get that in place, we will really be able to quantify the efficiency gains that I think that we have achieved over the last year, it will help us schedule work in a way where I think we can actually become 10 to 15% more efficient.

We are also paying for some increases in personnel costs and we're going to look at next year redoing the transportation criteria manual to address from the health department's initiatives as well as making sure that we address infill and rehabilitation of existing infrastructure as well as standards for new construction and new subdivisions.

The pie chart is to show you where the money comes from, where it goes.

I will give you just a moment to look at that rather than read it to you.

The next couple of slides are dash boards.

I will go through them very quickly.

I will highlight a couple of things.

Starting with the capital projects.

We are responsible for over 400 projects with a value of about two billion dollars.

If you add up the numbers on the pie chart, that will show you that 95% of the projects are in design or further along the delivery process.

A couple of years ago we were looking at 10 to 15% of the project just sitting there not doing anything.

Our goal is to make sure we can deliver projects within the time frame of the bond program, so we don't have to address loss value of money and make it an arbitrage type of situations.

The higher level of activity is reflected in the \$326 million in expenses last year.

More than double what we did in fiscal year '09, we are getting work out into the street and delivering projects.

Our management and inspection burden is only 67% which is well below -- 6 to 7%, well below the 10 to 15%.

Major projects, the amli service center, east seventh street, public safety training center and the work on south congress including rob's backwards parking.

Many of them have received state and national awards over the last 12 months we have been acknowledged with 14 major regional or nature awards in the department.

So we're proud of what we do and I think we're doing it really well.

These are projects that are in progress this year.

The whole list there.

The photos, one is from the art in public places project up on south congress up on live oak.

The middle photo is the tunneling working done in waller creek and the bottom photo is the celebration doggett would say finally completed east seventh street.

A lot of really signature projects, exciting projects going on.

Again, we're just excited about what we get to touch.

On a neighborhood connectivity side, you can see that there's a lot of major work in progress.

We're particularly proud of the neighborhood partner projects, which that break has been championed by several members of the council.

After getting through the administrative, legal, other challenges in getting started we've got some really cool stuff going on.

And we'll continue to report on those as well.

It's really helpful for us as -- well, the big projects are exciting, the little projects are where you build trust with the neighborhoods and communities.

This project is starting to take off.

There's 30 projects in the pipeline right now.

On the bike and pet side we're making a lot of progress.

We did over \$2 million for capital metro two and accessibility to their bus stops, I think that's been a great partnership and a great success as well.

Two photos are the plains trail project, I will tell you we had excellent quality control on this, because this is the project where our city manager worked with our concrete crews to deliver sidewalks so you can GET TO AND from McBee elementary school safely.

This one.

Although you are still banned from operating a sledge hammer.

On the operations side, some really good numbers here.

60% Of our residents are satisfied with the condition of their neighborhood streets.

That number is going up.

Compared to 40% that are included in the 200 city survey.

What's remarkable, too, 95% of our potholes are filled within 72 hours, those that are emergencies, 95% are addressed within 24 hours, that's are tough to beat numbers.

99% Of our bridges, there's 427 rated bridges that the city is responsible for, 426 of those are rated as good or better.

There's only one that's not rated as good and that's the -- the shelter bridge over on red bud trail and that's part of our capital program request.

Again some words from the Texas Public Works Association, that we're also proud of.

We will get into everybody's favorite part of the presentation, bar charts and slides.

Good set out for me when I first started was to get to 80% of our payments being rated as satisfactory or better by the end of FY 18.

We will be there at the end of this fiscal year, about five years ahead of schedule through a lot of great things that we did.

We've got some pretty creative mad scientists in street and bridge that have come up with new ways for us to deliver service, you can look at the distribution of the good, excellent, marginal and poor pavements there.

But we are making great progress.

Not only are we doing the work in a way that delivers better payments, we are doing it in a way that's integrated with the capital program, fully integrated with the utility work, we're going to deliver complete streets, everything under the surface, surface sidewalks, curbs, gutters, signs, trees, so there's a payoff for us coming into the neighborhood and disturbing the peace.

This is a distribution of the types of work we do.

It's a little bit down.

Next year I think that shows two things.

One is kind of picked a lot of the low hanging fruit, now we're into the tough stuff.

Also we are anticipating some adverse impacts due to the cost of asphalt.

But I think we'll get over 10%, I think it's a fairly pessimistic number.

Last year, FY '11, we did 105% of the work that we had programmed for about 89% of the cost.

We will get back to the 10% number, which is one of our goals.

And finally, just to track where we are, the red line is the improvement line, the baseline, gold is what we've done and you can see at the end of this year we'll be over the 80%.

The only reason that number tails off at the end a little bit, it's kind of at the end of the forecast period and the numbers are a little bit fuzzy when we get out towards FY 18.

But it's a good news story.

Our crews are doing great work, more efficient, motivated, excited about what they do now.

We are really pleased to be able to work in people's neighborhoods and engender support, trust for the city government.

With that, information on our program is in our annual report.

Which we distributed both hard copy and it's on the city's website.

And I would be more than happy to entertain any discussion that you might want to have.

>> Colleagues, any questions?

Thank you, howard.

>> Thank you.

>> Next we'll have transportation.

>> Councilmembers, I'm robert spiller with the transportation.

Again, our budget director and assistant city manager robert good.

I'll try to be quick, I know we're at the end of the day?

We -- we stepped through it, a bit of a funding overview as a department we -- we are fed by three different funds, transportation funds providing our -- one of our two large funding mechanisms, that supports or signs and marketing group, our signals, traffic engineering, right-of-way management, those portions of our program that we traditional think of as our traffic operations, general fund provides revenue for transportation planning and really that long range initiatives where we support for instance our councilmembers at campo and other long-range projects, also special events is funded out of the general fund.

And then parking management fund which makes better than a third as I'll show you in the pie charts here.

Really pays for our parking enforcement, our downtown and transportation initiatives which we'll talk about and our clean air initiatives that we have inherited from austin energy this year.

Let's take a look at the revenue.

I think what's striking here is that of the total 19 million, almost \$20 million that we take in in revenue from the different funds, you will see that the two lions shares that support the activities are really the parking management fund and the transportation fund.

With the balance being made up from right-of-way, special events fees, that go through the transportation fund and then the general fund there, the small bit in green that supplies that which we cannot pay for out of the transportation user fee.

And this is how we plan to expend it in 2013.

I want to point out just one thing.

You will notice from the previous slide to this slide, it looks like the -- the parking management fund grows in terms of the expenditure.

And with that, which we'll talk about in a subsequent slide here shows, is that this year we're able to predict the ability to make our first major investment back into the transportation system from the parking management fees that we collect on street.

As you know, in the first two years of start-up, we did our best job at predicting what the revenue off of those meters would be, but we were unsure going into a new business model and so we now have the ability to look back and say okay we have unrecognized revenue that we can now make that investment as we promised to council back into the transportation system and into the downtown marketplace.

In terms of performance measures, let me just step off with the first one here.

The satisfied or very satisfied, this is the goal that every year we kind of chuckle about, that it's hard to imagine us meeting this given that -- that at least in public opinion it's our belief that our transportation system is overshadowed both by i-35 and mopac here.

We set a high standard.

Our goal is to get to 50%, we may never make that, that's our goal, we are optimistic that's well above what the average of other major cities are achieving.

This year bedid manage an up-- we did manage an up tick, we are continuing based on last year's example or last year's understanding and also our ongoing discussions with the public, as you know we've stepped into the regional transportation debate, both on i-35 as well as mopac and the regional transit issues in town.

Again, as you directed, if we're going to be measured in public opinion by our transportation system that's so affected by these major transportation facilities, then we should start to provide leadership and step into that issue and so that's what we're doing.

And I believe, albeit a very small step, that increase in satisfaction is starting to pay off.

That people realize we're starting to work at the regional level.

In terms of satisfied or very satisfied with performance of the traffic signals, again this year we exceeded our goal and in fact again saw a slight uptick.

Again, if anyone thought that this would be a quick result or quick change, I'm very proud of the slight steps that we're taking, but it's very positive as we move forward.

Again, I think one of the things that we're doing now is much, is doing a better job of getting the word out that we're starting to address signals as well as regional transportation systems and I think people are starting to realize that the city is playing a major role in helping us move towards a better transportation system.

In terms of estimated reduction in travel times, in quarters, again, we met our goal this year.

Our goal is -- within any given corridor that we address in a year that we meet at least a five percent improvement in travel times.

8% improvement in those corridors, one reasonable question is why the variability over the last three years?

Well, we're tackling harder problems now, quite honestly.

So the amount of improvement that we are able to achieve in some of our corridors may be less.

But we're not afraid to address those.

So we're taking on the harder issues.

I would suspect in 2005 to 2008 we were able to make the nine or almost 10% improvements because we were handling some corridors that were not quite as tough as the downtown corridor, for instance.

That we've been addressing this year.

Number of citations.

Again, I'll just say it, we met our goal.

I think that it's interesting, again, to see that we have a second year of lower ticket expectations, as well as performance than we've had in years past.

Remember, this is directly a result of the improved parking management system, the new system.

So what we have actually done is make it easier for people to pay and easier to participate in the revenue collection.

So this is really a good news story that tickets have fallen.

We've actually increased the area that we're managing and are achieving really good adherence rates.

Now, I will tell you next year you should expect an increase in the number of tickets because obviously we've extended the hours of enforcements and just the sheer number of hours and exposure.

So we will see some uptick in this next year in terms of tickets.

I -- I remain resolute that it is better in terms of just the income to -- to receive the income through the meters as opposed to tickets.

So it's a better message for all of us.

Moving on to the transportation proposed investments, we are 's, a total of four, out of the transportation fund.

's to transfer the banner program or the street banner program, two atd from austin energy, we are working with them now, that is a program that they currently sponsor, we've been working with the convention center and we would like to go ahead and transfer that, that actually has a -- has a good business case for our signs and markings to do because we actually have signs that are on traffic poles or actually a -- masked arms of signals.

Right now I have to pull signal crews to -- to maintain.

By adopting the street banner program, this year I'm working with austin energy to use a couple of their surplus vehicles for the rest of this year as we order in this next year a couple of bucket trucks.

We will be able to do the banner program.

But when we're not hanging banners, be able to maintain the signs better over the mast head.

So it's a good business fit.

We are also asking for one to sustain a hire that we've just made this year.

I have brought on a business process consultant to assist me in my budgeting.

Our process has gotten to a point where we need to supplement what public works does for us and so -- so anthony, we were able to use we had this year through a partnership with public works to bring on and so this budget item would simply sustain that position as we move forward.

I look forward to being able to better explain to the public as well as to council on a regular basis how our budget is performing.

Then I would also like to add a public information specialist related to our strategic mobility plan.

This year, because of the number of projects that we had as part of the 2010 bond we were able to bring temporary employees on to help us get the word out.

One of the things that we are doing on a weekly basis is providing a collection of transportation related to the article and blasting that out to the community and they've really liked that.

In fact we've started to see that being used as a resource by -- by local news agencies and so forth, just to go to a single source on transportation.

We will like to maintain that position so we can do a better job of making sure that people know what we're working on in terms of mobility.

The other major fund that i again -- again supports our department is the parking management fund.

This year again, as I said, we'll be making some one of the investments that we have been looking forward to is an additional \$500,000 transfer to the cap budget for downtown initiatives, this is one of the commitments that we made to -- to city manager marc ott that we would start spending more money in terms of downtown, landscaping, supporting the cleaning program, howard is doing a very good job of steam cleaning most of our sidewalks now and in fact the other day I was talking to someone from another city and they were commenting on how much cleaner our downtown looks and asking us for advice on how to do that.

We would like to expand that to bring some planted color during the spring into downtown and additional vegetative cover.

We also have an opportunity to make a two million dollar transfer to the capital budget for transportation initiatives.

This would be for capital projects such as implementing the way-finding program or beginning to implement portions of the way-finding program that we can do as those recommendations come forward.

Certainly working with downtown stakeholders to identify additional sidewalks or so forth that need to be invested in.

But also to help us meet local matches on -- on grants that we are pursuing or expected to pursue in the future.

Most notable being the [indiscernible] grant that we got through txdot for the environmental process on the urban rail project.

We've also identified funding for two f.t.es.

Against transplants from austin energy working in our clean air initiatives.

As you noticed last year we helped launch the downtown transportation management association and so I have one staff assisting me with keeping up with that program.

But also doing our cashout programs here at city hall and working on a variety of air quality programs.

We also are in the process of revamping our alternative fuels program, within the city, that both of those have very good nexus with transportation and so we will be asking to fund those two positions on an ongoing basis out of the parking management fund as an investment.

Also \$300,000 in support of additional parking, engineering, signs and markings.

This allows us, I believe, to cut some additional general fund out of our original budget that went to helping to fund some of the projects that we do in engineering.

We will be able to do the signs and markings for parking related activities now out of this budget.

Then it also proposes one out of this fund for ground transportation officer for valet parking.

As you know, we are working with council this year to update our valet parking ordinance and so that would provide us an additional ground transportation officer to help us do that enforcement on a regular basis.

I'm going to come back to this slide, if you'll let me.

Let me finish with the balance of sources and uses for the parking management fund.

You will see in fy '12 we're ending with an extra \$2 million if you will in ending balance, in fy '13 we are making that first investment in transportation then you will see from there on out until fy 16 we -- we identify more modest ending balances.

As my budget manager is fond of saying, it's hard to imagine a parking emergency at the end of each year, so we don't need a huge balance at the end of each year.

The original purpose of the parking management fund was to make investments back in transportation.

Now I will go back to this slide.

I just wanted to point out one contingent investment that we would ask council to be mindful of.

With the understanding that there is consideration for funding additional one-stop shop resources, our right-of-way management program is the back end of that one stop shop and it is a department that is financed through -- through enterprise funds, basically they fund themselves off the fee by watching through the transportation fund so we would ask that if the one-stop shop

is going to be expanded to also give us the opportunity to add some additional personnel in the right-of-way management so we can continue to provide the high level of service that that part of the one-stop shop does provide.

You will see it was just one slide out of order.

.. I can answer questions if you have them.

>> Questions, colleagues?

Councilmember spelman.

>> Spelman: Very briefly.

If you could elaborate just a second on how it is that 's to avoid transferring a bottleneck, I'm not quite sure that I understood that.

>> Well, we provide a very high level of service we think, meeting our on time capabilities.

If one-stop shop is enlarged to provide a high rate of flow, if you will, we're the last set of permits, typically the construction projects get.

So we are at full tilt right now.

>> Spelman: I see.

>> So we've maximized the efficiency of that part of our department.

If the flow is suddenly going to get stronger or heavier, then we need to make sure that we're poised to be able to respond.

Again it's an enterprise setup, so that additional resources could generate additional income to pay for themselves.

But it's contingent on --

>> Spelman: Even though you are an enterprise fund the key question is an an enterprise fund we might 's necessary to a whole system.

>> Yes, that's exactly it.

>> Okay.

>> So I don't want be to -- to be your problem next year because I wasn't able to expand to keep up.

>> I appreciate that.

I have another question, which is only slightly budgetarily related.

At some point we were going to get a report on the effect of our extended parking hours downtown on businesses downtown, on business activity.

>> Yes.

>> Spelman: I want to be sure that's still in the pipeline, we're going to get one.

>> I believe that I've sent that forward in a memorandum.

I will make sure that you have another copy so i haven't messed you.

>> Spelman: I am sure that you have, I will look for it, thanks.

>> Morrison: I have questions that -- this is a comment sort of generally.

I noticed with the satisfaction on traffic flow that we have -- we're at 28% but our goal is 50%.

It strikes me a little bit like our code compliance where our response time goal is two days but we're actually at six days.

And I wonder if it might be possible to set a target for each year that we can actually -- that we think is achievable.

So that we're able to actually look at --

>> [indiscernible]

>> so we will be able to see some incremental progression as opposed we know you're not going to make 50% but what can we expect, what are you really working to.

>> Yes, councilmember.

>> Councilmember tovo?

>> Tovo: Very quickly, i see your revenue and expense overview includes a section for right-of-way and special event.

I wondered if the expenses listed also include any expenses that the austin police department and/or our parks department might end occur for special events or is this strictly transportation related.

>> Thank you for asking, no.

That's strictly related to the office of special events that is a division within our right-of-way management group.

So it's only one, two, three -- five employees.

Not the police department.

Or parks.

>> Tovo: Great, thank you for that clarification, i would love, as a side comment, to get to the point where we understood well how the fees we're assessing to and for special events, how well they are covering all of the city costs that we have in those.

Thanks.

>> Cole: Without objection, this council meeting, this council budget work session is adjourned.